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Local Government Finance in Ontario

MINISTRY OF TREASURY AND FINANCES

1979



The Honourable Thomas L. Wells
Minister of Intergovernmental Affairs

Local Government Finance in Ontario

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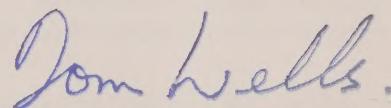
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Mowat Block, Queen's Park,
(416) 965-1074

Preface

This publication presents the financial statistics of local government in Ontario in 1979. It follows the 1978 publication entitled "Local Government Finance in Ontario, 1978" and provides sectoral and trend analysis on information for the year 1979 and the preceding years from 1977.

The publication of the 1979 edition has been delayed pending the introduction of a new information data base system within the Ministry. These analyses of information reported by municipal governments are a continuation of the effort by the government to provide readily available information on the financial and fiscal performance of the local government sector.

This study includes a report of financial performance of local government in 1979, an inter-provincial comparison of local sector financial operations from 1977 to 1979 and appendices. Appendix A summarizes local government finance by upper tier in the Province as required by Section 223 of The Municipal Act.



Don Wells.
Minister of Intergovernmental Affairs



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Introduction

This publication presents the financial operations of local government in 1979, an analysis of sectoral trends in the local sector compared to previous years and compared with local government financial activities in other provinces.

Part I provides an analysis of key local government financial data for all local government in aggregate and for six categories of municipalities in the province. These categories refer to types of municipalities which are defined according to municipal structure and location.

Appendix A offers a summary by upper tier of the financial statistics of all municipal governments in Ontario (school boards excluded).

Part II presents an inter-provincial comparison of local government financial operations in a sample of Canadian provinces for 1977 through 1979. More detailed information for this section is provided in Appendix B. Much cooperation was required from the provinces in the provision of background material and our appreciation is extended to those provinces which participated in the study.

Detailed information for Part I only is available from the Ministry's data bank. In general, detailed or summary data will be provided free of charge but the Ministry reserves the right to recover costs of meeting requests for large volumes of data.

Requests for detailed information should be directed to the Municipal Budgets and Accounts Branch at 416-965-2265.

L.J. Close
Director
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PART I. LOCAL GOVERNMENT FINANCIAL PERFORMANCE: 1979

Chapter 1

1979 Local Sector Financial Performance

Socio-Economic Highlights

In 1979 the population in Ontario increased marginally, 0.8 per cent, while households increased 2.1 per cent. Over the past three years, population growth has slowed considerably while household increases have remained high. Total equalized assessment continued to grow at 3.9 per cent, almost the same rate as in 1978. Although the increase in the average income per household, 8.8 per cent in 1979, was slightly higher than the 1978 rate, it was still below the increase in the Consumer Price Index.

Expenditures

Despite the relatively high growth in the number of households over the past few years and the accompanying high rate of inflation, the municipal sector on average has managed to hold spending increases below the rate of inflation. In 1979, municipalities, their local boards, agencies and school boards spent over \$9.6 billion, an increase of 6.3 per cent, slightly lower than the 8.8 per cent increase that occurred in 1978 but in both instances, less than the increase in the Consumer Price Index. As well, the growth in spending per household, 4.2 per cent was again well below the rate of inflation in 1979.

Socio-Economic Characteristics

Table 1-1

	1977	1979	1979/77 % Change	1979/78 % Change
Population (000)	8,274	8,384	1.3	0.8
Households (000)	3,052	3,199	4.8	2.1
Total Equalized Assessment (\$M)	83,300	89,900	7.9	3.9
Average Income/Household (\$)	21,200	24,800	17.0	8.8
Gross Provincial Product (\$M)	82,047	99,600	21.4	12.0
Consumer Price Index (1971=100)	160.8	191.2	18.9	9.1

Local Government Spending

Table 1-2

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
<i>Municipalities</i>				
Revenue Fund*	3,633	4,342	19.5	8.2
Capital Fund	1,136	1,198	5.5	0.8
Subtotal	4,769	5,540	16.2	6.5
<i>School Boards</i>				
Revenue Fund*	3,410	3,946	15.7	7.2
Capital Fund	128	138	7.8	(18.8)
Subtotal	3,538	4,084	15.4	6.1
<i>Total Local Sector</i>				
Revenue Fund*	7,043	8,288	17.8	7.7
Capital Fund	1,264	1,336	5.7	(1.7)
TOTAL	8,307	9,624	15.9	6.3
Total Spending per Household (\$)	2,722	3,088	13.4	4.2
Inflation (%)			18.9	9.1
Growth of GPP (%)			23.1	12.1

*Revenue Fund expenditures are net of transfers to the capital funds. These transfers have been included in the Capital Fund.

Municipal spending increased 6.5 per cent in 1979, almost 3 percentage points lower than that of 1978. The 1979 growth was the result of an 8.2 per cent increase in current expenditures and 0.8 per cent in capital spending.

The growth in school boards' spending also slowed down in 1979. Expenditures for school purposes, increasing at an even slower rate than that of municipalities, amounted to \$4.1 billion, or 6.1 per cent compared to 8.7 per cent in 1978.

Generally, the increases in spending by both municipalities and school boards represent a substantial reduction in the growth rates that occurred in 1976, 1977 and 1978. Due mainly to decreases in capital spending, municipalities were able to cut down on borrowing. As a result, debt charges grew relatively less than in previous years.

Revenues

Local government revenues increased \$766 million to over \$9.7 billion in 1979. This increase of 8.6 per cent compared to 5.6 per cent in 1978, reflected substantial increases in the two major revenue sources, property taxation and provincial grants. Property taxation grew 10.1 per cent to \$3.8 billion, while provincial assistance increased 6 per cent to \$3.8 billion. User fees and other revenues grew 12 per cent and 13.1 per cent respectively, both slower than in the previous year. Borrowing which dropped 32.6 per cent in 1978, increased 5.6 per cent in 1979, as municipalities covered previously unfinanced capital projects.

Local Government Revenues

Table 1-3

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
<i>Municipalities</i>				
Taxation	1,663	1,967	18.3	10.1
Ontario Grants	1,525	1,747	14.6	7.1
Specific User Fees	639	810	26.8	12.0
Other Revenue	591	762	28.9	11.7
Borrowing	467	314	(32.8)	17.6
Subtotal	4,885	5,600	14.6	10.1
<i>School Boards</i>				
Taxation	1,526	1,831	20.0	10.1
Ontario Grants	1,908	2,092	9.6	5.0
Other Revenue	64	96	50.0	17.1
Borrowing	58	60	3.4	(31.0)
Subtotal	3,556	4,079	14.7	6.7
<i>Total Local Sector</i>				
Taxation	3,189	3,798	19.1	10.1
Ontario Grants	3,433	3,839	11.8	6.0
Specific User Fees	639	810	26.8	12.0
Other Revenue	655	858	31.0	12.3
Borrowing	525	374	(28.8)	5.6
TOTAL	8,441	9,679	14.6	8.6

Composition of Local Government Revenues

Table 1-4

	Municipal			School			Total Local Sector		
	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %
Taxation	34.0	35.1	35.1	42.9	43.5	44.7	37.8	38.7	39.2
Ontario Grants	31.2	32.1	31.2	53.7	52.1	51.3	40.7	40.6	39.7
Specific User Fees	13.1	14.2	14.6	*	*	*	7.6	8.1	8.3
Other Revenue	12.1	13.4	13.6	1.8	2.1	2.5	7.8	8.6	8.9
Borrowing	9.6	5.2	5.6	1.6	2.3	1.5	6.2	4.0	3.9
Total	100.0	100.0	100.0						

* Not applicable

Provincial assistance decreased its share of revenues from 32.1 per cent for 1978 to 31.2 per cent while property taxes accounted for roughly the same share as in 1978. As grants declined as a proportion of revenues, other sources of revenue, user fees, borrowing and miscellaneous revenues increased their shares.

Municipal revenues increased by 10.1 per cent in 1979, almost 4 percentage points more than the spending increase that occurred in 1978. As in expenditures, school board revenues grew slower than municipal revenues in 1979 increasing 6.7 per cent compared to 7.5 per cent in 1978. Property taxation for school purposes, which had been growing faster than municipal taxes in previous years, grew at the same rate in 1979.

Mill Rates and Tax Levels

Total municipal and school boards mill rates increased on average by 6.8 per cent in 1979, about 3 percentage points higher than the increase in 1978, but significantly lower than 11 per cent increase in 1977.

Residential property taxes average \$753 per household an increase of 7.3 per cent over 1978. This amount was further reduced by property tax offsets to \$632 per household, about 2.6 per cent of the average household income.

Year End Position

Although local governments are required to balance their operating budgets, surpluses and deficits do occur since all expenditures and revenues cannot be accurately forecasted. At the end of 1979 municipalities and schoolboards had an accumulated current surplus of \$232 million, \$47 million more than in 1978. Of the total, \$209 million was municipal and \$23 million, school board. The local sector also reduced its unfinanced capital outlays by \$8 million to \$189 million in 1979, all attributable to a \$17 million reduction on the municipal side.

Reserves and reserve funds continued to increase but at a slightly slower rate than in 1978. They totalled \$1.0 billion, the result of increases of 21 per cent and 10 per cent in school boards and municipal funds respectively.

At the end of 1979, uncollected taxes totalled \$273 million, about 7.2 per cent of the taxes levied that year. This amount consisted of \$207 million in current year uncollected taxes and \$66 million from previous years. Tax arrears per household averaged \$80, an increase of 1.3 per cent in 1979 compared to \$76 in 1978.

Year End Balances		Table 1-5		
Year End Balances		1977 \$Million	1978 \$Million	1979 \$Million
<i>Revenue Fund Surplus</i>				
Municipalities		160	166	209
School Boards		43	19	23
Total		203	185	232
<i>Capital Fund Unfinanced</i>				
Municipalities		74	183	166
School Boards		12	14	23
Total		86	197	189
<i>Reserve and Reserve Funds</i>				
Municipalities		706	802	884
School Boards		99	109	132
Total		805	911	1,016

Table 1-6

Taxes Uncollected at Year End

	1977 \$Million	1979 \$Million	1979/77 % Change	1979/78 % Change
<i>Taxes Uncollected at Year End</i>				
Current Year	182	207	13.7	9.7
Previous Year	37	46	24.3	7.1
Prior Years	15	20	33.3	17.6
Total	234	273	16.7	9.8
<i>Arrears Per Household</i>				
Current Year	59	66	11.9	20.0
Prior Years	17	14	(17.6)	(41.7)
Total	76	80	5.3	1.3

Chapter 2

Municipal Revenue Fund Operations

Expenditures—Overview

Total municipal revenue fund spending increased 8.3 percent in 1979 from \$4.2 to \$4.6 billion. Operating expenditures per household averaged \$1,434, an increase of 6.4 percent over 1978 compared to 7.4 percent for 1978 over 1977. The Consumer Price Index, which provides an indication of inflation for all buyers and sellers, grew 9.1 percent. The fact that the growth in per household spending was well below the Consumer Price Index suggests that the level of most services provided by all municipalities in Ontario did not increase.

Operating expenditures per household were higher in urban areas than in rural areas. This

Municipal Revenue Fund Spending by Object

Table 2-1

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Operating Expenses					
Salaries, Wages and Employee Benefits	1,777	1,995	2,157	21.4	8.1
Materials, Services and Financial Expenses	1,000	1,094	1,198	19.8	9.5
Transfers	336	344	387	15.2	12.5
Subtotal	3,113	3,433	3,742	20.2	9.0
Financial Items					
Debt Charges	385	427	445	15.6	4.2
Transfers to Own Funds	329	361	385	17.0	6.6
Subtotal	714	788	830	16.2	5.3
TOTAL	3,827	4,221	4,572	19.5	8.3

1979 Municipal Revenue Fund Spending Per Household by Object

Table 2-2

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Operating Expenses							
Salaries, Wages and Employee Benefits	1,034	646	601	840	340	488	681
Materials, Supplies and Financial Expenses	373	398	310	376	360	436	373
Transfers	179	109	120	138	61	102	119
Subtotal	1,586	1,153	1,031	1,354	761	1,026	1,173
Financial Items							
Debt Charges	217	139	137	148	62	48	140
Transfers to Own Funds	113	129	100	169	114	171	121
Subtotal	330	268	237	317	176	219	261
TOTAL	1,916	1,421	1,267	1,671	937	1,245	1,434

was simply because rural areas either provided fewer services or shared some services with neighbouring municipalities. Spending levels ranged from \$1,916 per household in Metro to \$937 per household for municipalities in rural south. Northern municipalities continued to dominate per household spending. Metro aside, urban municipalities in the north spent \$1,671 per household compared to \$1,421 per household for Regional municipalities. Similarly, municipalities in the rural north averaged \$1,245 per household compared to \$937 per household for areas in the rural south.

Composition of Municipal Revenue Fund Spending

Table 2-3

	1977 %	1978 %	1979 %
Operating Expenses			
Salaries	46.4	47.3	47.2
Supplies	26.1	25.9	26.2
Transfers	<u>8.8</u>	<u>8.1</u>	<u>8.5</u>
Subtotal	81.3	81.3	81.9
Financial Items			
Debt Charges	10.1	10.1	9.7
Transfers to Capital	5.1	5.0	5.0
Transfers to Reserves and Reserve Funds	<u>3.5</u>	<u>3.6</u>	<u>3.4</u>
Subtotal	<u>18.7</u>	<u>18.7</u>	<u>18.1</u>
TOTAL	100.0	100.0	100.0

Expenditures By Object

In 1979, about 82 percent or \$3.7 billion of total expenditures was spent on the provision of municipal services. The remaining \$830 million went towards the servicing of debt and future spending.

The object breakdown of expenses showed that Metro Toronto and urban municipalities in the north applied over 50 percent of spending to salaries, wages and employee benefits. Urban municipalities also showed significantly higher debt charges per household, a range of \$137 for cities in the south to \$217 per household for Metro Toronto. Historically, urban municipalities have tended to issue debentures for their capital expenditures whereas rural municipalities more typically have used money out of their revenue fund for capital projects. As an example, rural areas in the north spent \$171 per household on transfers to the capital fund, substantially more than urban areas.

Expenditures by Function

In 1979 spending increases on two of the major functions, transportation and protection, were below the rate of inflation. Growth of the protection and transportation services slowed down slightly, dropping from 9.5 percent in the preceding year on the protection side to 8.8 percent and from 7.1 percent to 5.4 percent for transportation services. Planning and development services spending increased 11.3 percent compared to 7.5 percent in 1978.

In terms of local priorities, transportation remained the major service, accounting for about a quarter of operating expenses. Transportation, together with protection and the health and social services, made up 60 percent of the total 1979 operating budget.

Although transportation accounted for the largest portion of current expenditures, it had the slowest growth of all the functions in 1979. The slow growth was due to a 4.6 percent increase

Municipal Revenue Fund Spending

Table 2-4

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	364	457	25.5	6.3
Protection				
Police	373	445	19.3	9.1
Fire	219	260	18.7	10.2
Conservation	45	53	17.8	0.0
Other	44	54	22.7	12.5
Subtotal	681	812	19.2	8.8
Transportation				
Roads	607	664	9.4	5.6
Transit	348	399	14.7	4.7
Other*	59	79	33.9	6.8
Subtotal	1,014	1,142	12.6	5.4
Environment				
Sewer	240	298	24.2	11.2
Water	212	253	19.3	7.7
Solid Waste	111	143	28.8	16.3
Subtotal	563	694	23.3	10.9
Health and Social Services				
Public Health	84	101	20.2	13.5
Other Health	37	49	32.4	8.9
General Assistance	205	260	26.8	9.7
Elderly	189	236	24.9	11.3
Day Nurseries	36	44	22.2	10.0
Children's Aid	101	135	33.7	18.4
Subtotal	652	825	26.5	11.9
Culture and Recreation				
Parks and Recreation	343	353	2.9	6.3
Libraries	103	161	56.3	5.9
Subtotal	446	514	15.3	6.0
Planning and Development**	107	128	19.6	11.3
TOTAL	3,827	4,572	19.5	8.3

* Other transportation includes parking, street lighting, municipal airports and miscellaneous such as harbour commissions.

** Planning and development services include planning and zoning operations, industrial parks, and land assembly, industrial development commissions, residential development including public housing, reforestation, grants to agricultural societies, tile drainage and projects carried out under the *Shoreline Property Assistance Act*.

Composition of Municipal Revenue Fund Spending

Table 2-5

	1977 %	1978 %	1979 %
General Government	9.5	9.9	10.0
Protection	17.8	17.8	17.8
Transportation	26.5	25.6	25.0
Environment	14.7	14.9	15.2
Health and Social Services	17.0	17.7	18.0
Culture and Recreation	11.7	11.4	11.2
Planning and Development	2.8	2.7	2.8
TOTAL	100.0	100.0	100.0

in transit expenses, almost half the increase of the previous year, and a 6 percent growth in roads and other transportation expenses. The slower growth rate was a reflection of the lower level of provincial assistance provided for these services.

1979 Municipal Revenue Fund Spending Per Household

Table 2-6

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North	Province
	\$	\$	\$	\$	\$	\$	\$
General Government	164	149	107	114	108	166	139
Protection	377	260	275	316	91	119	255
Transportation	506	329	260	366	292	320	359
Environment	267	241	245	228	109	171	219
Health and Social Services	336	246	196	401	210	267	262
Culture and Recreation	234	152	147	192	83	155	160
Planning and Development	32	44	37	54	44	47	40
TOTAL	1,916	1,421	1,267	1,671	937	1,245	1,434

Composition of Municipal Revenue Fund Spending Per Household

Table 2-7

	Metro Toronto			Regions			Cities South		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	%	%	%	%	%	%	%	%	%
General Government	8.6	9.2	8.6	9.9	10.4	10.5	8.6	8.5	8.4
Protection	19.5	19.7	19.7	18.6	18.3	18.3	21.1	21.4	21.8
Transportation	28.1	27.2	26.4	24.9	23.8	23.2	20.7	20.9	20.5
Environment	13.2	13.2	13.9	15.8	16.4	16.9	19.8	19.2	19.3
Health and Social Services	16.6	16.9	17.5	16.1	16.9	17.3	15.2	15.6	15.5
Culture and Recreation	12.2	12.1	12.2	11.5	11.1	10.7	12.0	11.9	11.6
Planning and Development	1.8	1.7	1.7	3.2	3.1	3.1	2.6	2.5	2.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	Cities North			Rural South			Rural North		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	%	%	%	%	%	%	%	%	%
General Government	7.0	6.9	6.8	11.3	11.5	11.5	12.7	13.8	13.3
Protection	19.0	18.5	18.9	9.3	9.6	9.7	9.1	8.9	9.6
Transportation	21.9	21.8	21.9	33.9	31.9	31.2	26.9	25.6	25.8
Environment	13.8	13.4	13.6	11.7	12.0	11.6	15.1	14.8	13.7
Health and Social Services	22.7	22.7	24.1	20.9	21.5	22.4	20.5	20.9	21.4
Culture and Recreation	12.6	13.4	11.5	8.8	9.0	8.9	12.5	12.6	12.4
Planning and Development	3.0	3.3	3.2	4.1	4.5	4.7	3.2	3.4	3.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Transportation was the major function in all areas, especially in the rural south where it accounted for over 31 percent of expenditures. Transportation spending levels were higher in urban areas than in rural areas, ranging from \$260 per household for cities in the south to \$506 per household for Metro Toronto. The higher costs in urban municipalities can be primarily ascribed to the transit service in these areas. With transit costs netted off, spending on this function would be higher in the rural areas as a result of continuous upgrading and maintenance of roads.

Health and social services was the fastest growing function in 1979. Expenditures for those services increased 11.9 percent compared to 12.5 percent in 1978. As in the case of transporta-

tion, this function's spending is highly grant related. Its slightly slower growth was due to the fact that provincial assistance did not grow as fast as in the previous year. In 1979, total spending for health and social services reached \$825 million of which about 30 percent was for general assistance and another 30 percent for assistance to the elderly. Growth in general assistance spending slowed down from 15 percent in 1978 to 9.7 per cent, while operating expenditures for children's aid societies went up by 18.4 percent.

Levels of expenditures for health and social services ranged from \$196 per household for cities in the south to \$401 per household for cities in the north. Since the provision of these services is generally shared among municipalities in the north and rural area, the per household figure for cities in the north tended to be much higher than in other areas because of the way spending figures were reported, (i.e. total shared expenditures was accounted for under one component municipality only).

Spending on protection services, typically the second most expensive function, amounted to \$812 million in 1979, 8.8 percent more than in 1978. About 55 percent of this amount went towards policing costs while 32 percent was for fire protection. Spending on police protection increased 9.1 percent almost at the same rate as in the previous year, while fire costs grew at a faster pace, 10.2 percent compared to 7.9 percent in 1978. The higher growth rate in fire protection spending was due to larger increases in salaries, wages and benefits. These expenditure items increased 10.1 percent for fire and 8.9 percent for police.

On a per household basis, spending for protection services continued to show a marked difference between urban and rural municipalities, accounting for 9.6 percent of the total operating budget in rural municipalities and over 18 percent for urban areas. In 1979, protection costs were as low as \$91 per household in the rural south mainly because most of these areas are policed by the OPP and tend to have volunteer fire departments. In urban areas, protection costs varied from \$260 per household for municipalities in the regions to \$377 per household for Metro Toronto.

Of the remaining functions, environment and planning and development had relatively high growth rates in 1979. Environment, the third largest function, increased by 10.9 percent compared to 11.4 percent in 1978. Operating expenses were mainly for debt charges and materials and supplies for sewer and water systems.

Spending levels for environmental services varied widely among municipalities in 1979 as in previous years. In rural areas, as an example per household expenditures ranged from \$109 for southern municipalities to \$171 for northern areas. This diversity in ranges could be a combination of several variables: (1) Economics of scale i.e. larger plants at full capacity may lead to lower average costs; (2) New plants versus old plants i.e. capital financing costs of a new plant coming on stream; and lastly, (3) MOE rate agreements as MOE renegotiates its operating rates for 3 to 5 year periods large fluctuations tended to appear. In the urban areas spending levels ranged between \$228 per household for cities in the north to \$267 per household for Metro Toronto.

The growth in culture and recreation spending continued to decline in 1979 increasing 6 percent compared to 8.7 percent in 1978 and 14.4 percent in 1977.

The average recreational expenditure per household ranged from \$83 for municipalities in the rural south to \$234 for Metro Toronto. Aside from Metro, spending levels per household were higher in the north than in all other areas largely because the demand for recreational services tends to be greater in the north. Cities in the north were the only municipalities that showed a decline in recreational spending while Metro Toronto and municipalities in the rural south averaged an increase of 6.8 percent and 7.8 percent respectively.

Planning and development, the smallest of the functions, had the second largest spending growth rate in 1979. Expenditures for this function increased 11.3 percent compared to 7.5 percent in 1978.

Planning and development expenditures ranged from \$32 per household in Metro Toronto to \$54 per household in the cities in the north. Southern cities which showed a decrease of 3.2 percent in 1978 over 1977, showed an increase of 23.3 percent in 1979. Expenditure levels also went up by more than 20 percent in northern rural municipalities.

General government spending increased 6.3 percent compared to 17.8 percent in 1978. This function consists mainly of salaries, wages and financial expenses for municipal councils and general administration. Moderate increases in salaries, financial expenses and transfers to own funds contributed to the slow growth relative to previous years.

Revenues

In 1979, municipalities increased their revenues by \$426 million to \$4.6 billion. This represents a growth rate of 9.6 percent, slightly higher than the increase in operating expenditures.

Municipal Revenue Fund Revenues

Table 2-8

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Taxation				
Property Taxes	1,538	1,804	17.3	9.9
Municipal Charges	125	163	30.4	12.4
Subtotal	1,663	1,967	18.3	10.1
Payments in Lieu of Taxes				
Ontario	66	78	18.2	0.0
Other	78	90	15.3	8.4
Subtotal	144	168	16.7	4.3
Ontario Grants				
Unconditional	420	487	16.3	5.9
Conditional	722	854	18.3	8.2
Subtotal	1,142	1,341	17.4	7.4
User Fees				
Transit	205	248	21.0	12.1
Water	191	232	21.5	9.4
Sewer	7	8	14.3	16.3
Homes for the Aged	67	87	29.0	12.9
Culture and Recreation	77	96	24.7	10.3
Other	92	139	52.7	16.8
Subtotal	639	810	26.8	12.0
Other Revenue	241	329	35.3	13.4
TOTAL	3,829	4,615	20.8	9.6

Since the amount of revenues raised is determined by expenditures, municipalities with the highest expenditure levels had the highest revenues per household. Metro Toronto and the northern cities raised \$1,948 per household and \$1,684 per household respectively, while the rural south showed \$937 per household.

The composition of current revenues changed very little between 1978 and 1979. Taxation made up 42.6 percent of revenues, 4 percentage points more than in 1978, while provincial grants decreased .2 to 29.4 percent. Payments in lieu of taxes, and other revenues including user fees remained virtually unchanged.

1979 Municipal Revenue Fund Revenues Per Household

Table 2-9

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North	Province
	\$	\$	\$	\$	\$	\$	\$
Taxation	865	630	599	567	322	376	615
Payments in Lieu of Taxes	78	64	41	47	15	19	53
Ontario Grants							
Conditional							
General	0	0	0	0	1	1	0
Protection	5	10	11	17	13	2	9
Transportation	73	82	53	72	131	111	86
Environment	1	5	0	0	1	2	2
Health and Social Services	201	154	122	256	129	160	161
Culture and Recreation	9	7	7	9	9	16	8
Planning and Development	0	2	2	2	2	8	2
Subtotal	289	260	195	356	286	300	268
Unconditional	131	157	157	411	106	301	155
Subtotal	420	417	352	767	392	601	423
User Fees							
Transit	230	35	40	39	0	0	78
Water	96	75	82	73	38	48	73
Sewer	5	2	2	2	0	1	2
Homes for the Aged	30	20	17	51	40	38	28
Culture and Recreation	29	28	34	29	29	26	30
Other	40	40	32	34	38	27	38
Subtotal	430	202	206	227	145	140	248
Other Revenue	155	99	85	76	62	108	104
TOTAL	1,948	1,412	1,283	1,684	937	1,244	1,442

The revenue mix varied widely for the different municipal categories, because the composition of current revenues is dependent on the types of expenditures incurred by different municipalities and the way in which these expenditures are financed. For instance, urban municipalities in the south derived most of their revenues from taxation while for northern municipalities and rural areas in the south, provincial grants were the main source of revenues. Taxation averaged about 45 percent of total operating revenues in Metro Toronto and other urban areas in the south, and 33 percent in northern municipalities and rural municipalities in the south. Provincial assistance averaged over 45 percent in northern municipalities and about 25 percent in regions, southern cities and Metro Toronto. Relative to the other municipalities, user fees continued to be a major source of revenue in Metro Toronto, 22.1 percent, primarily because of transit revenues. Outside of Metro Toronto, user fees as a proportion of revenues ranged from 11.3 percent in the rural north to 16.1 percent in southern cities.

Property Taxation, the major source of revenues for most municipalities, totalled 2.0 billion in 1979, 10 percent more than the 1978 amount. The increase in taxes was a result of a 3.2 percent growth in assessment and a 6.9 percent growth in mill rates.

Total residential and commercial taxes were highest in Metro Toronto at \$865 per household and lowest in the rural south, \$322 per household. Increases in property taxes were considerably higher than they were in 1978. Cities in the north, which showed a drop of 1.9 percent in 1978 because their grants were increased almost 11 percent in that year, had a 9.5 percent growth in property taxes in 1979. The significant increase in the 1979 taxes for the northern cities was partially due to the slower rate of growth in provincial assistance to that group in

Composition of Municipal Revenue Fund Revenues

Table 2-10

	1977 %	1978 %	1979 %
Taxation			
Property Taxes	40.1	38.8	39.1
Municipal Charges	<u>3.3</u>	<u>3.4</u>	<u>3.5</u>
Subtotal	43.4	42.2	42.6
Payments in Lieu of Taxes			
Ontario	1.8	1.8	1.7
Other	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Subtotal	3.8	3.8	3.7
Ontario Grants			
Unconditional	11.0	10.9	10.7
Conditional	<u>18.9</u>	<u>18.7</u>	<u>18.7</u>
Subtotal	29.9	29.6	29.4
User Fees			
Transit	5.4	5.2	5.4
Water	5.0	5.0	5.0
Sewer	0.2	0.2	0.2
Homes for the Aged	1.7	1.8	1.9
Culture and Recreation	2.0	2.1	2.0
Other	<u>2.4</u>	<u>2.8</u>	<u>2.6</u>
Subtotal	16.7	17.1	17.1
Other Revenue	<u>6.2</u>	7.1	<u>7.2</u>
TOTAL	100.0	100.0	100.0

1978. Property tax levels and residential taxes as paid by the average homeowner will be discussed in Chapter 5.

Provincial grants for current purposes did not grow as fast as taxation in 1979. Grants increased by 7.4 percent to \$1,341 million. Unconditional grants, which account for 36 percent of total operating grants, grew 5.9 percent, considerably slower than conditional grants compared to previous years 1978 and 1977, when they grew faster than conditional grants. The general support, the resource equalization and northern support grants, which are based on the previous year's levy, increased less than half as much as the 1978 growth rate. Per capita grants showed marginal increases in keeping with the population growth in 1979.

Operating grants for specific purposes went up 8.2 percent to reach \$854 million in 1979. Transportation, (\$273 million) and health and social services, (\$508 million) account for roughly 90% of operating grants. Provincial grants for health and social services were the fastest growing in 1979. These grants averaged a 12 percent increase in 1979. Road grants increased marginally, 1.6 percent, the same rate of growth as in 1978.

Generally, northern municipalities received the highest operating grants per household. Cities in the north received \$767 per household compared to \$601 per household in the northern rural areas. Elsewhere grants ranged from \$352 per household in southern cities to \$420 per household in Metro Toronto. Grant levels were higher in the north due to the special support and resource equalization grants which these municipalities receive. Although the rural municipalities in the south were the only ones that showed a drop in current grants for transportation purposes, about 1.5 percent, they still received more transportation assistance from the Province than all other categories. As with health and social expenditures, northern municipalities also showed relatively higher levels of grants for these services than other areas.

Composition of Municipal Revenue Fund Revenues Per Household

Table 2-11

	Metro Toronto		Regions		Cities South	
	1977	1979	1977	1979	1977	1979
	%	%	%	%	%	%
Taxation	46.2	44.3	46.0	44.7	49.9	46.7
Payments in Lieu of Taxes	4.1	4.0	4.9	4.5	3.5	3.2
Ontario Grants						
Unconditional	4.9	6.7	9.7	11.1	9.5	12.2
Conditional						
General Government	0.0	0.0	0.1	0.0	0.0	0.0
Protection	0.3	0.3	0.8	0.7	0.6	0.9
Transportation	4.1	3.7	6.4	5.8	4.6	4.1
Environment	0.1	0.1	0.2	0.4	0.1	0.0
Health and Social	10.3	10.3	10.3	10.9	9.4	9.5
Culture & Recreation	0.6	0.5	0.7	0.5	0.6	0.5
Planning & Development	0.0	0.0	0.3	0.1	0.1	0.2
Subtotal	15.4	14.9	18.8	18.4	15.4	15.2
Total grants	20.3	21.6	28.5	29.5	24.9	27.4
User Fees						
Transit	12.2	11.8	2.5	2.5	3.2	3.1
Water	5.1	4.9	5.2	5.4	6.6	6.4
Sewer	0.2	0.3	0.2	0.1	0.1	0.2
Homes for the Aged	1.4	1.5	1.3	1.4	1.6	1.3
Culture and Recreation	1.6	1.5	2.0	2.0	2.6	2.6
Other	2.2	2.1	2.5	2.9	2.3	2.5
Subtotal	22.7	22.1	13.7	14.3	16.4	16.1
Other Revenue	6.7	8.0	6.9	7.0	5.3	6.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1977	1979	1977	1979	1977	1979
	%	%	%	%	%	%
Taxation	36.7	33.7	36.1	34.4	32.2	30.2
Payments in lieu of taxes	3.1	2.8	1.7	1.6	1.7	1.5
Ontario Grants						
Unconditional	20.7	24.4	7.4	11.3	19.1	24.2
Conditional						
General	0.0	0.0	0.1	0.1	0.0	0.1
Protection	1.2	1.0	1.5	1.4	0.1	0.2
Transportation	4.7	4.3	17.8	14.0	11.3	8.9
Environment	0.1	0.0	0.1	0.1	0.3	0.2
Health & Social Services	14.9	15.2	13.2	13.8	12.7	12.8
Culture and Recreation	0.6	0.5	1.3	1.0	1.5	1.3
Planning and Development	0.1	0.1	0.3	0.2	1.1	0.6
Subtotal	21.6	21.1	34.3	30.6	27.0	24.1
Total grants	42.3	45.5	41.7	41.9	46.1	48.3
User Fees						
Transit	2.5	2.3	0.0	0.0	0.0	0.0
Water	4.4	4.4	4.2	4.1	4.1	3.9
Sewer	0.2	0.1	0.1	0.0	0.0	0.1
Homes for the Aged	2.8	3.0	3.9	4.3	2.5	3.0
Culture and Recreation	1.9	1.7	2.5	3.1	2.0	2.1
Other	1.7	2.0	3.6	4.0	1.9	2.2
Subtotal	13.5	13.5	14.3	15.5	10.5	11.3
Other Revenue	4.4	4.5	6.2	6.6	9.5	8.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Payments in lieu of taxes grew at almost one-quarter of the 1978 rate. In 1979, with practically no growth in payments from Ontario and 8.4 percent growth in payments from the Federal government and municipal enterprises, total payments in lieu of taxes increased by 4.3 percent compared to 16.7 percent in 1978. Ontario payments in lieu of taxes remained virtually unchanged in 1979, because of a decline in payments from Ontario Hydro.

Payments in lieu of taxes increased between 7 and 8 percent in all areas except Metro Toronto, Ontario payments to Metro Toronto dropped 3.7 percent, giving the Boroughs and the City an average of \$78 per household, still the highest of all the municipal categories.

User fees, a great source of revenue in most urban areas, especially Metro, totalled to \$810 million in 1979, 12 percent more than in 1978. Except for transit fares, user fees generated from such sources as water billings, homes for the aged and culture and recreation facilities and programs increased at a slower rate than in 1978. Transit fees grew 12.1 percent in 1979 compared to 7.8 percent in 1978.

Revenue from other sources, which consisted primarily of investment incomes, rents, concessions and contributions from reserves, increased 13.4 percent in 1979. This change was due largely to a 40 percent increase in investment income.

Chapter 3

Municipal Capital Fund Operations

Expenditures by Function

Capital spending by municipalities, local boards and enterprises amounted to approximately \$1.2 billion in 1979, representing a 5.5 percent increase from 1977 and a 1 percent increase over 1978. The slow growth which has prevailed the past few years was due primarily to the ongoing government restraint program in Ontario and the lasting effects of high inflation. Both factors influenced the extent to which municipalities took on capital projects in 1979.

Those functions most affected by the reduction in spending were transportation, protection, health, environment and culture and recreation. In terms of transportation services, the transit component showed a sizeable decline as spending on this service fell by 20 percent between 1978 and 1979 and 46.5 percent since 1977. Although road expenditures grew 3 percent, it was not sufficient to offset the decrease in transit spending and consequently an overall decrease of 1.1 percent was recorded.

Capital outlays on environment services rose moderately by 13.1 percent from 1977 and 1.1 percent from 1978 to 1979.

Spending on culture and recreation capital facilities continued to fall off over 1979 with a moderate decrease of 5.8 percent and 12.2 percent over the three year period, 1977 to 1979.

Municipal Capital Fund Spending By Function

Table 3-1

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	63	74	17.5	19.4
Protection	38	39	2.6	(15.2)
Transportation				
Roads	311	348	11.9	2.9
Transit	127	68	(46.5)	(20.0)
Other	13	20	53.8	5.3
Subtotal	451	436	(3.3)	(1.1)
Environment				
Sewer	178	210	18.0	6.6
Water	114	103	(9.7)	(7.2)
Solid Waste	21	41	95.2	(2.4)
Subtotal	313	354	13.1	1.1
Health	10	7	(30.0)	(56.3)
Social Services	33	53	60.6	29.2
Culture and Recreation	147	129	(12.2)	(5.8)
Planning and Development	81	106	30.9	11.6
TOTAL	1,136	1,198	5.5	0.8

The function with the largest decrease in capital spending was health, showing a drop of 56.3 percent from 1978. Protection services recorded similar declines but to a lesser extent. These two functions however, only moderately affect overall municipal capital spending trends as they demand relatively little in capital outlay. The same applies to the general government,

social and planning and development functions, all of which experienced substantial increases over the 1977 to 1979 period.

As in the past, transportation, environment and culture and recreation accounted for the bulk of capital expenditures by municipalities despite the fact that recreation's share has shown a steady decline over the past few years.

Composition of Municipal Capital Fund Spending

Table 3-2

	1977 %	1978 %	1979 %	3 Year Average %
General Government Protection	5.6 3.3	5.2 3.9	6.2 3.3	5.6 3.5
Transportation				
Roads	27.4	28.4	29.0	28.3
Transit	11.2	7.1	5.7	7.9
Other	1.1	1.6	1.7	1.5
Subtotal	39.7	37.2	36.4	37.7
Environment				
Sewer	15.7	16.6	17.5	16.6
Water	10.0	9.3	8.6	9.3
Solid Waste and Other	1.9	3.5	3.4	3.0
Subtotal	27.6	29.4	29.5	28.9
Health	0.9	1.4	0.6	0.9
Social Services	2.9	3.4	4.4	3.6
Culture and Recreation	12.9	11.5	10.8	11.7
Planning and Development	7.1	8.0	8.8	8.1
TOTAL	100.0	100.0	100.0	100.0

Transportation and environment dominated capital spending. The recreation and planning functions were the third and fourth largest categories of capital spending, representing in total almost one fifth of municipal capital expenditures.

Municipal capital spending per household has declined throughout most of the province since 1977 with the exceptions of municipalities in rural areas and cities in the south. In Metro Toronto, for instance, spending per household has fallen 14.2 percent since 1977. This drop has occurred primarily in the major spending areas, transportation, environment and recreation. Metro invested less in capital items over 1979 than all other regions, cities and rural municipalities in the north. Although Regions spent less in 1979 than 1978, they continued to concentrate on improving those services for which demand had increased substantially, i.e. transportation and recreation services.

Municipal Capital Fund Spending Per Household

Table 3-3

	Metro Toronto				
	1977 \$	1978 \$	1979 \$	1979/77 %Change	1979/78 % Change
Transportation	203	151	124	(38.9)	(17.9)
Environment	116	123	114	(1.7)	(7.3)
Recreation	42	39	31	(26.2)	(20.5)
Planning and Development	16	9	13	(18.8)	44.4
Other*	67	77	99	47.8	28.6
TOTAL	444	399	381	(14.2)	(4.5)

Municipal Capital Fund Spending Per Household

Table 3-3 Continued

	Regions				
	1977	1978	1979	1979/77	1979/78
	\$	\$	\$	% Change	% Change
Transportation	148	156	152	2.7	(2.6)
Environment	128	148	132	3.1	(10.8)
Recreation	44	41	53	20.5	29.3
Planning and Development	26	27	23	(11.5)	(14.8)
Other*	38	45	35	(7.9)	(22.2)
TOTAL	384	417	395	2.9	(5.3)
Cities South					
	1977	1978	1979	1979/77	1979/78
	\$	\$	\$	% Change	% Change
	103	102	93	(9.7)	(8.8)
Transportation	87	102	115	32.2	12.7
Environment	24	34	25	4.2	(-26.5)
Recreation	30	56	94	213.3	67.9
Planning and Development	35	33	24	(31.4)	(27.3)
TOTAL	279	327	351	25.8	7.3
Cities North					
	1977	1978	1979	1979/77	1979/78
	\$	\$	\$	% Change	% Change
	121	151	166	37.2	9.9
Transportation	231	179	156	(32.5)	(12.9)
Environment	41	36	53	29.3	47.2
Recreation	52	74	66	26.9	(10.8)
Planning and Development	85	46	44	(48.2)	(4.3)
TOTAL	530	486	485	(8.5)	(0.2)
Rural South					
	1977	1978	1979	1979/77	1979/78
	\$	\$	\$	% Change	% Change
	117	120	143	22.2	19.2
Transportation	40	34	64	60.0	88.2
Environment	71	44	25	(64.8)	(43.2)
Recreation	33	30	30	(9.1)	0.0
Planning and Development	41	49	57	39.0	16.3
TOTAL	302	277	319	5.6	15.2
Rural North					
	1977	1978	1979	1979/77	1979/78
	\$	\$	\$	% Change	% Change
	96	149	156	62.5	4.7
Transportation	43	56	57	32.6	1.8
Environment	94	142	104	10.6	(26.8)
Recreation	36	80	57	58.3	(28.8)
Planning and Development	49	59	44	(10.2)	(25.4)
TOTAL	318	486	418	(31.4)	(14.0)

*Other Capital Expenditures include General Government Protection, and Health and Social Services.

Cities in the north continued to spend more on capital than all other types of municipalities, \$485 per household in 1979. Transportation, environment and recreation services accounted for \$375 per household or 77 percent of the total spending, although this level has declined marginally since 1977.

Transportation spending per household increased in all municipalities except Metro and cities in the south.

Planning and development spending rose significantly in most of the province with cities in the south having the greatest increase, 213 percent from 1977. Recreation spending levels decreased in both urban and rural areas, but increased significantly in cities in the south. Capital outlay for environment services increased in rural municipalities and cities in the south and decreased in the rest of the Province.

Composition of Municipal Capital Fund Spending Per Household

Table 3-4

	Metro Toronto			Regions		
	1977	1978	1979	1977	1978	1979
	%	%	%	%	%	%
Transportation	45.7	37.8	32.6	38.5	37.4	38.5
Environment	26.1	30.8	29.9	33.3	35.5	33.4
Recreation	9.5	9.8	8.1	11.5	9.8	13.4
Planning and Development	3.6	2.3	3.4	6.8	6.5	5.8
Other*	15.1	19.3	26.0	9.9	10.8	8.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities South			Cities North		
	1977	1978	1979	1977	1978	1979
	%	%	%	%	%	%
Transportation	36.9	31.2	26.5	22.8	31.1	34.2
Transportation	36.9	31.2	26.5	22.8	31.1	34.2
Environment	31.2	31.2	32.8	43.6	36.8	32.2
Recreation	8.6	10.4	7.1	7.7	7.4	10.9
Planning and Development	10.8	17.1	26.8	9.8	15.2	13.6
Other*	12.5	10.1	6.8	16.1	9.5	9.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Rural South			Rural North		
	1977	1978	1979	1977	1978	1979
	%	%	%	%	%	%
Transportation	38.7	43.3	44.8	30.2	30.7	37.3
Environment	13.3	12.3	20.1	13.5	11.5	13.6
Recreation	23.5	15.9	7.8	29.6	29.2	24.9
Planning and Development	10.9	10.8	9.4	11.3	16.5	13.6
Other*	13.6	17.7	17.9	15.4	12.1	10.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

*Other Capital Expenditures include General Government, Protection, and Health and Social Services.

The composition of capital spending changed considerably over the 1977 to 1979 period. The overall share of capital expenditures in Metro for transportation declined while that of other services—protection, general government and health increased substantially from 1977. A similar shift occurred in southern cities except instead of other services, it was planning and development that took up a greater share.

Cities in the north continued to direct their capital funds into both transportation and recreation facilities and away from the environment function while the rural south followed the complete reverse of this by allocating more to environment and less to recreation.

The regions and the rural north both showed little change in the composition of their capital spending over the three year period.

Revenues

Total capital fund revenues were \$1.2 billion in 1979, up 12.5 percent from 1978, but down 2.8 percent over the 1977 to 1979 period. The increase in 1979 was partially attributable to the substantial growth in municipalities' own funds and the moderate rise in municipal borrowing.

Municipal Capital Fund Revenues

Table 3-5

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Own Funds				
Revenue Funds	194	230	18.6	10.0
Reserves and Reserve Funds	128	195	52.3	25.8
Subtotal	322	425	32.0	16.8
Ontario Grants				
Transportation	215	198	(7.9)	(2.5)
Environment	47	75	59.6	53.1
Other	55	55	0.0	3.8
Subtotal	317	328	3.5	7.6
Other Revenue	144	148	2.8	2.1
Borrowing	467	314	(32.8)	17.6
TOTAL	1,250	1,215	(2.8)	12.5

Contributions toward capital projects from municipalities' own funds increased by 16.8 percent or \$60 million from 1978 to 1979. Since 1977 own funds as a source of revenue rose 32 percent to \$425 million. Individually, revenue funds grew by 18.6 percent and other funds by a significant 52.3 percent over the same period.

Grants from Ontario provided municipalities with \$328 million, 8.9 percent more for their capital programs than in 1978. Environment service grants accounted for the bulk of the increase, rising 53.1 percent. Transportation grants fell 2.5 percent in 1979 reflecting the continued decline in expenditures on transit by municipalities in certain areas of the province.

Total borrowing amounted to \$314 million up 17.6 percent from 1978 but down 32.8 percent from 1977.

Composition of Capital Fund Revenues

Table 3-6

	1977 %	1978 %	1979 %
Own Funds	25.8	33.7	35.0
Ontario Grants	25.4	28.1	27.0
Other Revenues	11.5	13.5	12.2
Borrowing	37.3	24.7	25.8
TOTAL	100.0	100.0	100.0

The composition of capital financing has changed in two primary areas, with own funds and provincial grants assuming a greater share of overall revenue. As a proportion of total financing, own funds increased from 25.8 percent to 35.0 percent and grants from 25.4 percent to 28.1 percent over the three year period. In 1979, total capital fund revenue per household for all municipalities in the province averaged \$380, an increase of 9.8 percent over 1978. As in the past, the cities and rural municipalities in the north were the groups with the highest revenues per household for financing, at \$449 and \$445 respectively. These amounts, however, were considerably less than those recorded in 1978.

The use of own funds was highest in regions at \$186 per household followed closely by cities and rural municipalities in the north at approximately \$155 per household for both in 1978. Revenues from Ontario grants were the lowest in the cities in the south at \$67 per household while municipalities in the rural north received the greatest support, \$201 per household. Metro borrowed the most per household \$174, but was followed closely by the cities in the north with \$109.

1979 Municipal Capital Fund Revenues Per Household

Table 3-7

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Own Funds	94	186	97	156	101	155	133
Ontario Grants							
Transportation	61	63	36	53	77	85	62
Environment	21	27	14	59	19	30	23
Culture and Recreation	3	8	3	19	11	70	9
Planning and Development	1	6	13	5	12	15	7
Other	0	0	1	1	1	2	1
Subtotal	86	104	67	137	121	201	103
Other Revenues	60	37	56	47	35	65	46
Borrowing	174	77	96	109	55	24	48
TOTAL	414	404	316	449	312	445	380

Own funds as a percent of total financing was highest in regions for each of the three years 1977 to 1979. The rural north received the highest level of provincial support over the three year period at 45.1 percent in 1979. The rural south followed close behind as they received almost comparable grants up until 1979. Borrowing was the largest source of finance for Metro Toronto in both 1977 and 1979 at 46.2 percent and 41.9 percent respectively. Cities in the south had the highest level of other revenue at 17.8 percent. Up to 1979 rural municipalities in the north had recorded the greatest percentage level of other revenue.

Composition of Municipal Capital Fund Revenues

Table 3-8

	Metro Toronto						Regions			Cities South		
	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %	1977 %	1978 %	1079 %	1977 %	1978 %	1079 %
Own Funds	14.7	28.5	22.7	33.8	38.5	46.0	25.4	29.8	30.7			
Ontario Grants												
Transportation	22.3	24.6	14.8	14.5	16.7	15.6	14.7	13.7	11.4			
Environment	4.2	7.3	5.1	3.3	3.7	6.7	2.1	2.1	4.4			
Culture and Recreation	0.6	0.3	0.7	2.3	2.3	2.0	0.9	2.6	1.0			
Planning and Development	0.2	0.3	0.2	0.9	0.9	1.5	1.0	0.9	4.1			
Other	0.1	0.1	0.0	0.3	0.4	0.0	0.6	0.1	0.3			
Subtotal	27.4	32.6	20.8	21.3	24.0	25.8	19.3	19.4	21.2			
Other Revenue	11.7	15.2	14.6	10.4	12.6	9.2	10.2	13.2	17.8			
Borrowing	46.2	23.7	41.9	34.5	24.9	19.0	45.1	37.6	30.3			
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
	Cities North						Rural South			Rural North		
	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %	1977 %	1978 %	1979 %
Own Funds	26.3	28.2	34.7	31.1	34.4	32.5	33.5	33.0	34.9			
Ontario Grants												
Transportation	8.5	9.3	11.9	17.1	21.8	24.8	13.0	17.6	19.0			
Environment	15.0	10.1	13.2	2.1	2.4	6.2	3.1	3.3	6.7			
Culture and Recreation	0.7	1.2	4.3	10.8	9.0	3.6	12.9	14.3	15.7			
Planning and Development	2.5	1.3	1.1	2.5	3.2	3.9	0.7	1.6	3.3			
Other	1.4	0.2	0.2	1.1	0.3	0.4	0.3	0.9	0.4			
Subtotal	28.1	22.1	30.7	33.6	36.7	38.9	30.0	37.7	45.1			
Other Revenue	15.0	11.4	10.4	12.3	10.8	11.1	22.6	22.9	14.7			
Borrowing	30.6	38.3	24.2	23.0	18.1	17.5	13.9	6.4	5.3			
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			

The composition of Ontario capital grants has changed significantly over the 1977 to 1979 period. Transportation grants continued to make up the largest proportion of all grants, with the exceptions of cities in the north, and the rural south but this share has declined primarily because the urban areas, Metro for example, spent considerably less on capital for transportation services. The share of environment grants has increased in all the municipalities excluding the cities in the north, by approximately 11 percent since 1977. Recreation grants fell dramatically from 32.1 percent to 9.4 percent in the rural south reflecting the lower level of capital spending for recreation services by these municipalities.

Chapter 4

School Board Finances

Expenditures by Object

Total spending by school boards amounted to \$4.1 billion in 1979, an increase of \$234 million or 6.0 percent from 1978. The 7.2 percent rate of increase for revenue fund expenditures in 1979 represents a slight decline compared to 7.8 percent increase in 1978. Capital fund expenditures declined 18.8 percent in 1979 to total \$138 million, continuing the downward trend in line with pupil enrollment.

As in 1977 and 1978, the lower rate of growth in revenue fund spending was due to lower wage settlements for teachers and staff compared to prior years. The average salary level for both elementary and secondary school increased by about 10 percent in 1979, up from the 7.5 percent increase in 1978.

School Board Expenditures

Table 4-1

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
REVENUE FUND				
Elementary				
Salaries and Wages—Teachers	1,239	1,465	18.2	10.2
—Other	309	340	10.0	(1.7)
Debt Charges	139	140	0.7	3.7
Other Expenditures	316	367	16.1	3.7
Total	2,003	2,312	15.4	6.8
Secondary				
Salaries and Wages—Teachers	910	1,073	17.9	9.7
—Other	209	230	10.0	2.2
Debt Charges	74	76	2.7	2.7
Other Expenditures	214	255	19.2	6.7
Total	1,407	1,634	16.1	7.8
Total Revenue Fund	3,410	3,946	15.7	7.2
Capital Fund	128	138	7.8	(18.8)
TOTAL	3,538	4,084	15.4	6.0

Other payroll costs for administrators, principals, vice-principals, non-teaching professionals and janitorial staff decreased by 2 percent in elementary schools and increased by 2 percent in secondary schools in 1979. In comparison, the increases in 1978 were 12 and 8 percent respectively. The slowdown in the growth of these particular payroll costs moderated the effects of the increases in elementary and secondary school teachers' payrolls.

Total non-payroll costs for elementary schools increased by 3.7 percent and 6.7 percent for secondary schools in 1979 compared to 10.8 percent for elementary schools and 11.7 percent for secondary schools in the previous years.

The increase in spending on debt charges for elementary schools was 3.7 percent and for secondary schools was 2.7 percent. Low growth in debt charges reflected declining levels of additional borrowing each year.

Capital spending continued its downward trend in 1979 as it fell by almost 19 percent below the 1978 level. As the rate of declining enrolment increases, the rate of capital spending falls accordingly. Even with declining enrolment, however, it is not expected that capital spending will cease. Some areas are experiencing moderate to rapid growth and therefore require new facilities. As well, older school buildings will always need refurbishing or replacement.

Spending on salaries and wages accounted for most of the operating expenditures in all areas of the province. In 1979, elementary schools spent 78.1 percent of their revenue fund on this item and secondary schools spent 79.8 percent. In recent years, there has been a marked trend for both elementary and secondary school teachers' salaries to increase as a proportion of total spending. Equally significant, was the trend towards lower debt charges, which have decreased as a percentage of total expenditure from 6.9 percent in 1977 to 6.0 percent in 1979 for elementary schools and from 5.3 percent in 1977 to 4.6 percent for secondary schools. The lower debt charges are the result of less borrowing in recent years.

Composition of School Board Revenue Fund Spending By Object

Table 4-2

	1977 %	1978 %	1979 %
Elementary			
Salaries and Wages—Teachers	61.9	61.5	63.4
—Other	15.4	16.0	14.7
Subtotal	77.3	77.5	78.1
Debt Charges	6.9	6.3	6.0
Other Expenditures	15.8	16.2	15.9
Total	100.0	100.0	100.0
Secondary			
Salaries and Wages—Teachers	64.7	64.5	65.7
—Other	14.8	14.8	14.1
Subtotal	79.5	79.3	79.8
Debt Charges	5.3	4.9	4.6
Other Expenditures	15.2	15.8	15.6
Total	100.0	100.0	100.0

In elementary schools, the number of pupils declined from 1977 to 1979 by 5.3 percent and 2.4 percent in 1979. There was also a reduction of 5.7 percent in the number of elementary teachers over the three year period. With the decline in enrolment, spending increases per pupil were 9.5 percent in 1979 and about 22 percent since 1977. Increases in salaries per teacher were slightly greater than the expenditure per pupil and are the main reason for increased spending by school boards.

At the secondary school level, enrolment decreased by 2.2 percent from 1977 to 1979 and 1.9 percent in 1979. During the same three year period, the number of secondary teachers declined by 2.6 percent. Spending per pupil at the secondary level increased by 18.8 percent from 1977 to 1979 and by 9.9 percent in 1979. Secondary school teachers were awarded slightly lower salary increases than elementary but maintained their higher level of remuneration and a lower student-teacher ratio.

School Board Enrolment and Staffing

Table 4-3

	1977	1979	1979/77 % Change	1979/78 % Change
Elementary				
Students	1,329,396	1,258,761	(5.3)	(2.4)
Revenue Fund Expenditure/				
Student (\$)	1,507	1,837	21.9	9.5
Teachers	56,772	53,549	(5.7)	(2.2)
Average Salary/Teacher (\$)	21,824	27,358	25.4	12.8
Student/Teacher	23.4	23.5		
Secondary				
Students	613,830	600,084	(2.2)	(1.9)
Revenue Fund Expenditure/				
Student (\$)	2,292	2,723	18.8	9.9
Teachers	35,454	34,513	(2.6)	(1.6)
Average Salary/Teacher (\$)	25,667	31,090	21.1	11.5
Student/Teacher	17.3	17.4		

Revenues

Total school board revenues reached \$4.1 billion, a 6.7 percent increase over 1978 and 14.7 percent higher than 1977. The main sources of revenue supplementing this growth were property taxes, payments in lieu of taxes and other revenue.

School Board Revenues

Table 4-4

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Revenue Fund				
Property Taxes	1,526	1,825	19.6	9.7
Payments in Lieu of Taxes	36	43	19.4	13.2
Ontario Grants	1,872	2,049	9.5	4.9
Other Revenue	64	102	59.4	24.4
Subtotal	3,498	4,019	14.9	7.5
Capital Fund				
From Revenue Fund	63	69	9.5	14.8
Borrowing	58	60	3.4	31.0
Subtotal	121	129	6.6	23.2
TOTAL	3,556	4,079	14.7	6.7

Provincial grants grew the least of all revenue sources at 4.9 percent in 1979. The restricted growth in grants since 1977 is reflected in the increases of 9.7 percent in 1979 and 19.6 percent since 1977. Once spending ceilings for grant purposes are exceeded, any excess expenditure must generally be supported wholly by property tax revenue source. Revenue fund revenues increased by 7.5 percent while capital fund revenues increased by 23.2 percent.

Capital spending was financed by borrowing and contributions from the revenue fund. Both sources decreased in 1979, borrowing by 31.0 percent and contributions from the revenue fund by 14.8 percent, in comparison to 50.0 percent and 28.6 percent respectively in 1978.

In identifying trends within the sources of revenue fund revenues available to school boards, the most notable changes over the 1977 to 1979 period were the increased reliance on

property taxes and other revenue due to the slower growth of provincial assistance which declined in share from 53.5 percent in 1977 to 51.0 percent in 1979. Property taxes increased from 43.7 percent in 1977 to 45.4 percent in 1979 while other revenue increased from 1.8 percent to 2.5 percent for the same period. Overall, provincial assistance was still the largest single source of revenue for school boards totalling almost \$2.1 billion in 1979.

Composition of School Board
Revenue Fund Revenues

Table 4-5

	1977 %	1978 %	1979 %
Taxation	43.7	44.5	45.4
Payments in Lieu of Taxes	1.0	1.0	1.1
Other Grants	53.5	52.3	51.0
Other Revenues	1.8	2.2	2.5
TOTAL	100.0	100.0	100.0

Chapter 5

Property Taxation

Overview

Total property taxes levied for municipal and school purposes amounted to \$3.8 billion in 1979. Taxes for municipal purposes accounted for 52 per cent or almost \$2 billion of the total amount, while the remaining \$1.8 billion was raised for school purposes. From 1977 to 1979 the education levy grew slightly faster than the municipal, 20 per cent versus 18 per cent respectively. However, the growth rate for both levies was 10.1 per cent in 1979.

Total Property Taxation

Table 5-1

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Municipal	1,663	1,967	18.3	10.1
School	1,526	1,831	20.0	10.1
TOTAL	3,189	3,798	19.1	10.1

Composition of Total Property Taxation

Table 5-2

	1976 %	1977 %	1978 %	1979 %
Municipal	53.1	52.1	51.8	51.8
School	46.9	47.9	48.2	48.2
TOTAL	100.0	100.0	100.0	100.0

On a sectoral basis, with the exception of Metro Toronto and cities in the south, tax levies increased between 10 per cent and 11 per cent. Increases in school levies were higher than municipal in all areas except Metro Toronto and cities in the north.

Total Property Taxation

Table 5-3

	Metro Toronto				Regions			
	1977 \$ Mil.	1979 \$ Mil.	1979/77 % Change	1979/78 % Change	1977 \$ Mil.	1979 \$ Mil.	1979/77 % Change	1979/78 % Change
Municipal	582	697	19.7	11.3	613	727	18.6	9.6
School	584	666	14.0	7.8	534	662	24.0	11.4
TOTAL	1,166	1,363	16.9	9.7	1,147	1,389	21.1	10.5
Cities South								
	1977 \$ Mil.	1977 \$ Mil.	1979/77 % Change	1979/78 % Change	1977 \$ Mil.	1979 \$ Mil.	1979/77 % Change	1979/78 % Change
Municipal	213	244	14.6	8.0	51	58	13.7	9.6
School	158	191	20.9	11.0	38	47	23.7	9.3
TOTAL	371	435	17.3	9.0	89	105	15.5	10.5

Total Property Taxation

Table 5-3 (Continued)

	Rural South				Rural North			
	1977 \$ Mil.	1979 \$ Mil.	1979/77 % Change	1979/78 % Change	1977 \$ Mil.	1979 \$ Mil.	1979/77 % Change	1979/78 % Change
Municipal	167	198	18.6	10.0	37	44	18.9	10.0
School	183	227	24.0	11.8	29	37	27.6	12.1
TOTAL	350	425	21.4	11.0	66	81	22.7	11.0

Mill Rates and Assessment

The overall increase in 1979 taxes resulted from a 3.2 per cent growth in assessment and a 6.8 per cent increase in mill rates. This meant that the average property owner experienced a 6.8 per cent increase in taxes, with the rest being raised from new properties. Most of the increase came from the residential sector, where mill rates increased 7.1 per cent.

Change in Mill Rates and Assessment

Table 5-4

	1979/77 % Change	1979/78 % Change
*Total Property Tax Increase	18.5	10.0
Due to Assessment Growth	7.7	3.2
Due to Mill Rate Increase	10.8	6.8
*Total Residential Tax Increase	20.4	10.8
Due to Assessment Growth	6.5	3.7
Due to Mill Rate Increase	13.9	7.1

* This is taxes levied and therefore does not include municipal charges.

In 1979, all areas except Metro Toronto and cities in the south reported increases in their total property taxes levied that were greater than the provincial average, Table 5-5. In Metro Toronto and municipalities in the south, the increased tax burden was picked up by the residential side, while in all other areas, the commercial sector was responsible for a greater share of the increase.

Change in Mill Rates and Assessment

Table 5-5

	Metro Toronto		Regions		Cities South	
	1979/77	1979/78	1979/77	1979/78	1979/77	1979/78
	% Change	% Change	% Change	% Change	% Change	% Change
Total Property Tax Increase	15.7	9.3	20.6	10.5	17.0	9.0
Due to Assessment Growth	4.9	2.1	9.6	3.5	6.1	3.2
Due to Mill Rate Increase	10.6	7.2	11.0	7.0	10.9	5.8
Total Residential Tax Increase	17.4	10.6	22.7	11.0	18.1	9.0
Due to Assessment Growth	5.5	2.1	5.4	4.4	7.1	3.5
Due to Mill Rate Increase	12.9	8.5	17.3	6.6	11.0	5.5
Cities North						
	1979/77	1978/78	1979/77	1979/78	1979/77	1979/78
	% Change	% Change	% Change	% Change	% Change	% Change
Total Property Tax Increase	16.3	11.1	21.2	11.0	24.6	11.8
Due to Assessment Growth	6.3	2.5	6.8	3.1	7.9	3.0
Due to Mill Rate Increase	10.0	8.6	14.4	7.9	16.7	8.8
Total Residential Tax Increase	18.6	10.9	21.5	11.4	21.9	11.4
Due to Assessment Growth	8.6	2.5	7.3	3.3	10.3	4.0
Due to Mill Rate Increase	10.0	8.4	14.2	8.1	11.6	7.4

Property Taxation by Class

Properties taxed at the residential mill rate remained the major source of tax revenue, contributing \$2.2 billion, or 58.3 per cent in 1979. This amount was almost 11 per cent more than in 1978 and consisted of \$2.1 billion in realty taxes and \$79 million in municipal charges.

Property Taxes by Tax Class

Table 5-6

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Properties Taxed at Residential Rate				
Taxes	1,772	2,134	20.4	10.8
Municipal Charges	58	79	36.2	14.5
Subtotal	1,830	2,213	20.9	10.9
Properties Taxed at Commercial Rate				
Realty	863	1,002	16.1	8.8
Business	404	464	14.9	8.9
Municipal Charges	92	119	29.3	12.3
Subtotal	1,359	1,585	16.6	8.9
TOTAL	3,189	3,798	19.1	10.1

Taxes from the commercial business sectors, which have been growing at slower rate partly due to lower growth in commercial assessment amounted to \$1.6 billion, an increase of 9 per cent.

The proportion of taxes raised from residential properties has changed slightly over the last five years. The results in Table 5-7 indicate municipalities growing dependence on residential properties as a source of tax revenue. In the period 1977 to 1979, the proportion of residential taxes to total taxes increased from 57.4 per cent to 58.3 per cent.

Composition of Property Taxes by Tax Class

Table 5-7

	1977 %	1978 %	1979 %
Properties Taxed at Residential Rate			
Taxes	55.6	55.8	56.2
Municipal Charges	1.8	2.0	2.1
Subtotal	57.4	57.8	58.3
Properties Taxed at Commercial Rate			
Realty Taxes	27.0	26.7	26.4
Business Taxes	12.7	12.4	12.2
Municipal Charges	2.9	3.1	3.1
Subtotal	42.6	42.2	41.7
TOTAL	100.0	100.0	100.0

Across the province, reliance on the residential tax base was apparent. As expected, Metro Toronto was the only area where the commercial taxes contributed a greater share than residential at 50.1 per cent of the total, a slight drop from 50.9 per cent in 1977. This was due to slower growth in commercial taxes. Municipalities in the north were the only group to report a slight increase in the proportion of tax revenue from commercial properties, 49.5 per cent of the total in 1979 compared to 49.4 per cent in 1977.

1979 Property Taxes by Class (\$ Million)

Table 5-8

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Properties Taxed at Residential Rate						
Taxes	669	840	241	51	294	39
Municipal Charges	12	38	7	2	17	3
Subtotal	681	878	248	53	311	42
Properties Taxed at Commercial Rate						
Realty Taxes	440	317	116	34	70	25
Business Taxes	211	142	56	15	30	10
Municipal Charges	32	53	14	3	14	3
Subtotal	683	512	186	52	114	38
TOTAL	1,364	1,390	434	105	425	80

Composition of Property Taxes by Tax Class

Table 5-9

	Metro Toronto		Regions		Cities South	
	1977	1979	1977	1979	1977	1979
Properties Taxed at Residential Rate						
Realty Taxes	48.8	49.0	59.6	60.5	55.0	55.5
Municipal Charges	0.3	0.9	2.6	2.7	1.9	1.6
Subtotal	49.1	49.9	62.2	63.2	56.9	57.1
Properties Taxed at Commercial Rate						
Realty Taxes	32.9	32.3	23.5	22.8	27.0	26.7
Business Taxes	16.0	15.5	10.7	10.2	13.2	12.9
Municipal Charges	2.0	2.3	4.6	3.8	2.9	3.3
Subtotal	50.9	50.1	37.7	36.8	43.1	42.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

	Cities North		Rural South		Rural North	
	1977	1979	1977	1979	1977	1979
Properties Taxed at Residential Rate						
Realty Taxes	48.3	48.6	69.1	69.2	48.5	48.8
Municipal Charges	2.3	1.9	4.0	4.0	3.0	3.7
Subtotal	50.6	50.5	73.1	73.2	51.5	52.5
Properties Taxed at Commercial Rate						
Realty Taxes	33.7	32.4	16.9	16.5	31.8	31.2
Business Taxes	14.6	14.3	7.1	7.0	13.7	12.5
Municipal Charges	1.1	2.8	2.9	3.3	3.0	3.8
Subtotal	49.4	49.5	26.9	26.8	48.5	47.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Property Taxation by Type of Property

Table 5-10 provides a further breakdown of sources of tax revenue according to the type of property. In 1979, residential properties contributed \$1.9 billion through tax levies and municipal charges. This was a 10.6 per cent increase over 1978. Other properties taxed at the residential rate, such as farmland; vacant land and buildings, golf courses, conservation authorities, and clubs contributed \$200 million in taxes, 13.6 per cent more than the previous year.

Property Taxes by Type of Property		Table 5-10		
		1977 \$ Million	1979 \$ Million	1979/77 % Change
				1979/78 % Change
Properties Taxed at Residential Rate				
Residences: Realty Taxes				
Municipal Charges	58	79	36.2	14.5
Subtotal	1,664	2,013	21.9	10.6
Farmland	27	31	14.8	6.9
Vacant Land and Buildings	120	140	16.7	12.0
Other Properties	18	29	61.1	31.8
Total	1,830	2,213	20.9	10.9
Properties Taxed at Commercial Rate				
Industrial				
Financial and Wholesale	161	160	(0.6)	4.6
Professional, Chain Retail	257	297	15.6	15.1
Retail and Other Commercial	398	467	17.3	5.2
Parking Lots	32	33	3.1	10.0
Telephone and Telegraph	55	71	29.1	18.3
Municipal Charges	37	48	29.7	2.1
Total	1,359	1,585	16.6	8.9
TOTAL	3,189	3,798	19.1	10.1

Of the properties taxed at the commercial rate, industrial properties remained the main contributors. In 1979, taxes from industries amounted to \$509 million or 32 per cent of the total commercial taxes. The retail tax class was the second largest contributor, providing \$467 million in tax revenues.

Composition of Property Taxes By Type of Property

Table 5-11

	1977 %	1978 %	1979 %
Properties Taxed at Residential Rate			
Residences: Realty Taxes	50.4	50.8	50.9
Municipal Charges	1.8	2.0	2.1
Subtotal	52.2	52.8	53.0
Farmland	0.9	0.9	0.8
Vacant Land and Buildings	3.8	3.6	3.8
Other Properties	0.6	0.6	0.8
Total	57.5	57.9	58.3
Properties Taxed at Commercial Rate			
Industrial	13.1	13.4	13.4
Financial and Wholesale	5.0	4.4	4.2
Professional, Chain Retail	8.0	7.5	7.8
Retail and Other Commercial	12.5	12.9	12.3
Parking Lots	1.0	0.9	0.9
Telephone and Telegraph	1.7	1.7	1.9
Municipal Charges	1.2	1.3	1.3
Total	42.5	42.1	41.8
TOTAL	100.0	100.0	100.0

Residential Tax Burden

Property taxes averaged \$753 for a single family household in 1979. This was \$51 or 7.3 per cent more than in 1978. Municipal taxes which accounted for 51 per cent of the total taxes grew slightly faster, 7.5 per cent, than school taxes at 7.0 per cent.

Average Gross Residential Property Taxes Per Household*

Table 5-12

	1977 \$	1978 \$	1979 \$	1979/77 % Change	1979/78 % Change
Metro Toronto					
Municipal Taxes	413	430	470	13.8	9.3
Municipal Charges	7	12	14	100.0	16.7
Subtotal	420	442	484	15.2	9.5
School Taxes	446	459	485	8.7	5.7
TOTAL	866	901	969	11.9	7.6
Regions					
Municipal Taxes	373	367	396	6.2	7.9
Municipal Charges	27	32	33	22.2	3.1
Subtotal	400	399	439	7.3	7.5
School Taxes	343	362	392	14.3	8.3
TOTAL	743	761	821	10.5	7.9
Cities South					
Municipal Taxes	350	361	377	7.7	4.4
Municipal Charges	17	17	17	0.0	0.0
Subtotal	367	378	394	7.4	4.2
School Taxes	280	297	319	13.9	7.4
TOTAL	647	675	713	10.2	5.6

Cities North					
Municipal Taxes	276	272	286	3.6	5.2
Municipal Charges	20	20	22	10.0	10.0
Subtotal	296	292	308	4.1	5.5
School Taxes	231	251	258	11.7	2.8
TOTAL	527	543	566	7.4	4.2
Rural South					
Municipal Taxes	186	190	205	10.2	7.9
Municipal Charges	24	26	28	16.7	7.7
Subtotal	210	216	233	10.9	7.9
School Taxes	225	242	261	16.0	7.9
TOTAL	435	458	494	13.6	7.9
Rural North					
Municipal Taxes	176	180	194	10.2	7.8
Municipal Charges	23	24	25	8.7	4.2
Subtotal	199	204	218	9.6	6.9
School Taxes	149	165	180	20.8	9.1
TOTAL	348	369	397	14.1	7.6
Province					
Municipal Taxes	333	337	363	9.0	7.7
Municipal Charges	19	23	24	26.3	4.4
Subtotal	352	360	387	9.9	7.5
School Taxes	325	342	366	12.6	7.0
TOTAL	677	702	753	11.2	7.3

* Due to reassessments which have taken place since 1975, these figures have been updated from previous documents. The taxes calculated here are based on the average 1978 assessment for a single dwelling unit.

Taxes = $\frac{\text{Assessment} \times \text{Total mill rate (public)}}{1000}$

The level of total taxes per household varied widely for the individual municipal areas. Metro Toronto and the Regions, which are high growth areas, had the highest taxes per household. Taxpayers in Metro Toronto averaged \$969 in residential taxes per household, while in Regional municipalities this average was \$821 per household. The tax levels for the cities in the south were well above those for cities in the north mainly because the northern municipalities receive a higher level of provincial assistance. Similarly, rural areas in the north had a lower level of taxes than rural areas in the south. Generally the level of tax per household varied primarily with the services provided each area and the amount of provincial assistance available.

While the growth in average school taxes per household in 1979 was less than municipal, since 1977 school taxes have increased at a faster rate than municipal, 12.6 per cent compared to 9.9 per cent. In 1979, 48.6 per cent of average residential taxes per household were raised on behalf of school boards. This provincial average was exceeded by Metro Toronto at approximately 50 per cent and by the rural areas in the south which reported an average of 52.8 per cent of residential property taxes per household allocated to support education.

Measured as a per cent of household income, the gross residential tax burden declined from 3.1 per cent to 3.0 per cent in 1979. In all areas, except cities in the north, this ratio remained unchanged over 1978. In northern cities property taxes represented 2.3 per cent, down 4.2 per cent from the previous year.

Residential Tax Burden

Table 5-13

	1977 \$	1978 \$	1979 \$	1979/77 % Change	1979/78 % Change
Metro Toronto					
Property Tax per Household	866	901	969	11.7	7.6
Income per Household	24,200	26,200	28,200	16.5	7.6
Property Tax as % of Income	3.6	3.4	3.4	(3.6)	0.0
Regions					
Property Tax per Household	743	761	821	10.5	7.9
Income per Household	21,900	23,600	25,400	16.0	7.6
Property Tax as % of Income	3.4	3.2	3.2	(5.9)	0.0
Cities South					
Property Tax per Household	647	675	713	10.2	5.6
Income per Household	21,200	23,000	25,000	17.9	8.7
Property Tax as % of Income	3.1	2.9	2.9	(6.5)	0.0
Cities North					
Property Tax per Household	527	543	566	7.4	4.2
Income per Household	20,400	22,900	24,800	21.6	8.3
Property Tax as % of Income	2.6	2.4	2.3	(11.5)	(4.2)
Rural South					
Property Tax per Household	435	458	494	13.6	7.9
Income per Household	17,400	19,100	20,600	20.1	7.9
Property Tax as % of Income	2.5	2.4	2.4	(4.0)	0.0
Rural North					
Property Tax per Household	348	369	397	14.1	7.6
Income per Household	18,100	19,600	21,100	16.1	7.7
Property Tax as % of Income	1.9	1.9	1.9	0.0	0.0
Province					
Property Tax per Household	677	702	753	11.2	7.3
Income per Household	21,200	22,800	24,300	17.0	8.8
Property Tax as % of Income	3.2	3.1	3.0	(6.3)	(3.2)

Under the tax credit programs, the Province and municipalities made payments to offset residential property taxes which averaged \$121 per household in 1979. Therefore, the average residential tax burden was reduced to \$632 per household.

Although net property taxes grew by 8.2 per cent in 1979, net property taxes as a per cent of household income remained unchanged.

Residential Tax Burden

Table 5-14

	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Municipal Taxes and Charges	352	387	9.9	7.5
School Taxes	325	366	12.6	7.0
Gross Property Taxes	677	753	11.2	7.3
Tax Offsets*	115	121	4.4	2.5
Net Property Taxes	562	632	12.6	8.2
Share of Household Income (%)				
Gross Taxes	3.2	3.0	(6.3)	(3.2)
Net Taxes	2.7	2.6	(3.7)	0.0

* Includes transfers under the Municipal and School Tax Credit Assistance Act, The Municipal Elderly Residents' Assistance Act and the Ontario Property Tax Credit System, each providing \$1 million, \$2 million, and \$455 million in assistance respectively.

Chapter 6

Long Term Borrowing, Debt and Debt Charges

Long Term Borrowing

In 1979, local governments in Ontario issued \$383 million in new long term debt, an increase of \$11 million over the previous year. The overall growth rate of 3.0 percent was the result of a 13.3 percent increase in borrowing for municipal purposes and a 31.0 percent decrease in school board borrowing. While the 1979 rate of increase may appear low, it was a substantial change in relation to the approximately 30 percent reduction in long term borrowing experienced in 1978 from 1977. The level of debt issued in 1979 was still well below the \$535 million required to finance capital expenditures in 1977. As in the past few years, over 80 percent of the new debt was issued for municipal purposes with the remainder attributable to school boards.

The 13.3 percent increase in municipal sector borrowing in 1979 compared to an almost 40.0 percent decrease in 1978 over 1977, indicated that although municipalities continued to exercise restraint in capital spending, which increased 5.5 percent in 1979, some borrowing has had to take place to finance necessary projects.

In percentage terms, the largest increase, 65.5 percent, occurred in borrowing from the Federal Government; however, in dollar terms, this source took up the least amount of debt at \$48 million. Borrowing from the Province grew marginally by 1.1 percent, while debentures sold in the public market were up by 10.1 percent. Borrowing from the public, which was still the major source of funds, has fallen off by almost 50.0 percent since 1977 to \$186 million in 1979. This was due to a number of factors including general restraint in capital spending and the reluctance of municipalities to commit themselves to borrowing over the long term at current high interest rates.

Long Term Borrowing By Source

Table 6-1

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Issued by Municipalities				
Ontario	66	89	34.8	1.1
Federal Government	46	48	4.3	65.5
Public	<u>365</u>	<u>186</u>	(49.0)	10.7
Subtotal	477	323*	(32.3)	13.3
Issued by School Boards				
Ontario	58	60	3.4	(31.0)
Public	0	0		
Subtotal	<u>58</u>	<u>60</u>	3.4	(31.0)
TOTAL	535	383	(28.4)	3.0

* This figure was higher than the borrowing figure reported in Chapter 3 because this included borrowing for own municipal purposes plus borrowing on behalf of unconsolidated boards and individuals. In Chapter 3, borrowing included only that for own municipal purposes.

School boards in the province required \$60 million in new funds to finance 1979 capital expenditures. This was a 31.0 percent decrease from 1978 requirements, but similar to the 1977 level of \$58 million.

Borrowing by municipalities and schoolboards in 1979 equalled \$121 per household or \$1 more per household than in 1978. Again, the largest portion, \$101 per household, was issued by municipalities and \$20 per household was for school boards.

Long Term Borrowing Per Household
By Source

Table 6-2

Province	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Issued by Municipalities				
Ontario	22	28	27.3	0.0
Federal Government	15	15	0.0	66.7
Public	118	58	(50.8)	7.4
Subtotal	155	101	(34.8)	11.0
Issued By School Boards				
Ontario	19	20	5.3	(31.0)
Public	0	0	0.0	0.0
Subtotal	19	20	5.3	(31.0)
TOTAL	174	121	(30.5)	0.8

Among municipal areas, the urban areas had the highest levels of borrowing ranging from \$79 per household in regions to \$180 per household in Metro Toronto. The two rural groups, the south and the north, reported \$55 and \$28 respectively, reflecting the fewer and lower level of services provided by these groups. Metro Toronto and cities in the north had borrowing in excess of the provincial average of \$101 per household. Borrowing from the public accounted for \$124 or 68.9 percent of all debt issued by Metro Toronto in 1979. This was the major single source of funds for all other groups except cities in the north and the rural south for which the Province was the major lender.

1979 Long Term Borrowing Per Household
By Source

Table 6-3

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$
Issued by Municipalities						
Ontario	15	35	26	40	34	13
Federal Government	41	3	17	37	2	4
Public	124	41	54	32	20	11
TOTAL	180	79	97	109	55	28

Total Long Term Liabilities

Aggregate net debt outstanding at the end of 1979 was \$4.3 billion, slightly less than in 1978. Municipal sector net debt outstanding grew by 2.8 percent to approximately \$3.0 billion while that of school boards fell 6.6 percent to \$1.3 billion. In the period 1977 to 1979, local governments have experienced little growth in outstanding net debt, primarily the result of low growth rates in new borrowing in the past two years.

Borrowing, Net Debt and Unfinanced Capital Expenditures

Table 6-4

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
New Long Term Borrowing				
Municipalities	477	323	(32.3)	13.3
School Boards	58	60	3.4	(31.0)
TOTAL	535	383	(28.4)	3.0
Net Debt Outstanding				
Municipalities	2,840	2,976	4.8	2.8
School Boards	1,437	1,314	(8.6)	(6.6)
TOTAL	4,277	4,290	0.3	(0.3)
Unfinanced Capital Expenditures				
Municipalities	74	166	124.3	(9.3)
School Boards	12	23	91.7	64.3
TOTAL	86	189	119.8	(4.1)
Total Capital Fund Liabilities				
Municipalities	2,914	3,142	7.8	2.1
School Boards	1,449	1,337	(7.7)	(5.9)
TOTAL	4,363	4,479	2.9	(0.2)

Unfinanced capital expenditures outstanding at year end was \$189 million in 1979, or 4.1 percent less than in 1978. The growth in this liability has been dramatic since 1977 with municipal sector share increasing by 124.3 percent and school board unfinanced by 91.7 percent. The continued high levels of unfinanced capital expenditure indicates that municipalities and school boards postponed permanent financing in anticipation that long term interest rates would fall in 1980.

Including the unfinanced portion of capital expenditures, total capital fund liabilities reached \$4.5 billion at the end of 1979, \$20 million less than 1978, a 2.7 percent increase for 1977. Of the total, \$3.1 billion were liabilities against the municipal sector and the remaining 30.0 percent or \$1.3 billion, were for school boards.

Net Long Term Debt Outstanding by Function

Municipal sector long term debt outstanding increased in 1979 for all functions except transportation and health services. The individual rates of growth ranged from 3.7 percent for general government to 19.4 percent for social services. The growth in borrowing for social services was due mainly to higher capital spending on homes for the aged. Planning and development experienced increases in debt outstanding for both sub-functions to produce an overall growth rate of 14.6 percent in 1979.

The level of net debt outstanding for general government grew by 3.7 percent in 1979 to \$84 million. This was still 3.6 percent less than the \$87 million in debt outstanding in 1977. Culture and recreation debt, which had declined in the past two years due to other sources of financing such as Wintario grants, was \$338 million or approximately the same level as in 1978.

Environmental debt, which accounts for over 40 percent of total municipal debt, showed a moderate 4.7 percent rise overall to reach approximately \$1.3 billion. Increases in debt outstanding occurred for each of the three sub-functions of protection to produce a 6.1 percent growth rate in 1979.

Net Long Term Debt Outstanding By Function

Table 6-5

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government Protection	87	84	(3.6)	3.7
Police	52	55	5.8	7.8
Fire	29	30	3.4	3.4
Other	30	37	23.3	5.7
Subtotal	111	122	9.9	6.1
Transportation				
Roadways	451	440	(2.5)	(0.1)
Transit	152	132	(15.2)	(9.1)
Subtotal	603	572	(5.4)	(2.1)
Environment				
Sewers	754	824	9.3	5.2
Waterworks	380	406	6.8	5.5
Solid Waste & Other	46	45	(2.2)	(11.1)
Subtotal	1,180	1,275	8.1	4.7
Health	80	69	(15.9)	(8.7)
Social Services	133	172	29.3	19.4
Culture and Recreation	356	338	(5.3)	0.1
Planning and Development				
Residential and Industrial Development	100	135	35.0	16.4
Tile Drainage	66	86	30.3	11.7
Subtotal	166	221	33.1	14.6
Total Municipal	2,716	2,853	5.0	3.7
Unconsolidated Boards	124	123	(0.8)	(4.7)
School Boards	1,437	1,314	(8.6)	(6.6)
TOTAL	4,277	4,290	0.3	(0.1)

Of the functions that showed decreases in 1979, the largest was 8.7 percent for health services. At the local level, debt outstanding on this service has declined steadily since 1977 from \$80 million to \$69 million in 1979. Similarly, capital liabilities for transportation continued to be reduced with the fastest rate of decrease, 9.1 percent, occurring in transit operations. Debt outstanding for roadways has fallen off marginally since 1977 to \$440 million in 1979. Unconsolidated municipal boards and school boards reduced their long term liabilities in 1979 by 4.7 percent and 6.6 percent respectively.

Net Long Term Debt Outstanding Per Household By Municipal Area

Net long term debt outstanding per household ranged from \$298 for the rural north to \$1,348 for Metro Toronto. Of all the municipal groups, only the regions and the rural north experienced some reduction in outstanding debt in 1979 compared to 1978. For the regions, this decrease was a minimal \$1 per household, or less than 1 percent, and for the rural north, net debt outstanding fell by 1.7 percent. Increases in net long term debt outstanding were also moderate, the largest was 3.9 percent in the rural south.

As in past years, debt outstanding for environmental services was the largest single liability per household reported by all groups. Transportation accounted for the second highest level of

Net Long Term Debt Outstanding Per Household
By Function

Table 6-6

	Metro Toronto			
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	40	36	(10.0)	0.0
Protection	57	63	10.5	5.0
Transportation	363	316	(12.9)	(2.8)
Environment	472	481	1.9	3.2
Health and Social Services	145	192	34.5	23.4
Culture and Recreation	232	213	(8.2)	2.3
Planning and Development	33	30	(9.2)	
Total Municipal	1,342	1,334	(0.6)	3.2
Unconsolidated Boards	18	14	(22.2)	(12.5)
TOTAL	1,360	1,348	(8.3)	3.0
Regions				
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	26	25	(3.8)	13.6
Protection	35	36	2.9	9.1
Transportation	195	174	(10.7)	(6.5)
Environment	452	475	5.1	3.5
Health and Social Services	67	54	19.4	(11.5)
Culture and Recreation	114	103	(9.6)	(1.0)
Planning and Development	56	62	10.7	(3.1)
Total Municipal	945	929	(1.7)	0.2
Unconsolidated Boards	61	56	(8.2)	(6.7)
TOTAL	1,006	985	(2.1)	(0.1)
Cities South				
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	30	24	(20.0)	(17.2)
Protection	41	35	(14.6)	7.9
Transportation	199	206	3.5	(0.5)
Environment	430	420	(2.3)	(1.6)
Health and Social Services	26	20	(23.1)	(16.7)
Culture and Recreation	73	64	(12.3)	(7.2)
Planning and Development	31	73	135.5	78.0
Total Municipal	830	842	1.4	0.8
Unconsolidated Boards	58	65	12.1	(7.2)
TOTAL	888	907	2.1	1.1

debt for the urban areas, although each of these areas reported decreases in this function in 1979 ranging from 0.5 percent in the cities in the south to 9.1 for the northern cities.

Planning and development debt grew substantially for cities with those in the north reporting \$96 per household, an increase of 65.5 percent, while southern urban centres had \$73 per household, 78.0 percent more than in 1978.

Net debt outstanding of unconsolidated municipal boards was reduced for all groups except the rural south which had a slight increase of \$1 per household to \$17 per household in 1979. Cities in the north had the highest level of debt at \$105 per household.

Net Long Term Debt Outstanding Per Household
By Function

Table 6-6
Continued

	Cities North			
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	64	56	(12.5)	(6.7)
Protection	62	70	12.9	(5.4)
Transportation	154	149	(3.2)	(9.1)
Environment	405	515	27.2	4.3
Health and Social Services	42	29	(31.0)	(17.1)
Culture and Recreation	73	66	(9.6)	(9.6)
Planning and Development	45	96	113.3	65.5
Total Municipal	845	981	16.1	2.4
Unconsolidated Boards	98	105	7.1	(7.1)
TOTAL	943	1,086	15.2	1.4
Rural South				
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	14	14	0.0	0.0
Protection	10	11	10.0	10.0
Transportation	24	27	12.5	0.0
Environment	165	163	(1.2)	1.2
Health and Social Services	15	11	(26.7)	(21.4)
Culture and Recreation	21	20	(4.8)	(4.8)
Planning and Development	102	134	31.4	12.6
Total Municipal	351	380	8.3	3.8
Unconsolidated Boards	18	17	(5.6)	6.3
TOTAL	369	397	7.6	3.9
Rural North				
	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
General Government	24	19	(20.8)	5.6
Protection	12	11	(8.3)	(38.9)
Transportation	20	21	5.0	23.5
Environment	156	146	(6.4)	0.7
Health and Social Services	33	31	(6.1)	(8.8)
Culture and Recreation	29	26	(10.3)	(10.3)
Planning and Development	23	34	47.8	9.7
Total Municipal	297	288	(3.0)	(1.4)
Unconsolidated Boards	13	10	(23.1)	(9.1)
TOTAL	310	298	(3.9)	(1.7)

Annual Capital Expenditures Financed from Revenue

In 1979, total debt charges financed from current operating revenue were \$661 million, a 3.8 percent increase from 1978. As shown in Table 6-7, municipal purposes debt charges grew 4.2 percent in 1979 to reach \$445 million and charges against school board debt were \$216 million, approximately a 3 percent increase from 1978.

The overall growth in revenue fund contributions to capital expenditures slowed in 1979 to 0.7 percent. This was due to a 20.7 percent decline for school purposes combined with a 9.5

Annual Capital Expenditures Financed From Revenue Fund

Table 6-7

	1977 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Total Debt Charges				
Municipal	385	445	15.6	4.2
School	213	216	1.4	2.9
Subtotal	598	661	10.5	3.8
Capital Expenditures Financed From Revenue Fund				
Municipal	194	230	18.5	9.5
School	63	69	9.5	(20.7)
Subtotal	257	299	16.3	0.7
Total Debt Charges and Capital Expenditures from Revenue Fund	855	960	12.3	2.8
Debt Charges as Per Cent of Revenue Fund Expenditures				
Municipal	10.1	9.7		
School	6.1	5.4		
Capital Expenditures as Per Cent of Revenue Fund Expenditures				
Municipal	5.1	5.0		
School	1.8	1.7		
Total as Per Cent of Revenue Fund Expenditures	11.7	11.2		

percent growth rate for the municipal sector. For municipal purposes alone, the rate of growth in capital spending from current revenues has been fairly steady, increasing from \$194 million in 1977 to \$230 million in 1979.

Including debt charges, total contributions to capital financing from the revenue fund accounted for \$960 million in 1979 or 11.2 percent of total revenue fund expenditures compared to 11.7 percent in 1977. The percentage contribution of current funds to the capital fund for both municipal and school purposes has shown little change in the past three years with each declining by only 1 percentage point. Taking into account the higher interest rates payable on debt in 1978 and 1979, and the resulting increase in absolute charges, the percent of revenue fund revenues devoted to debt charges showed a decrease for both municipal and school purposes in 1979 compared to 1978. Municipal purpose debt charges accounted for 9.7 percent of revenue fund expenditures in 1979 compared to 10.1 percent in 1977 while school board debt charges as a percent of revenue fund spending fell from 6.1 percent in 1977 to 5.4 percent in 1979.

Annual Municipal Capital Expenditures Financed from Revenue by Municipal Area

Debt charges per household ranged from \$48 per household in the rural north to \$217 per household in Metro Toronto of debt charges per household remained unchanged in 1979 while the rural north had a decrease of 4.0 percent in 1979 compared to 1978. All other municipal areas experienced increases in debt charges per household in line with the increases in net debt outstanding.

Annual Municipal Capital Expenditures Per Household
Financed from Revenue Fund

Table 6-8

	Metro Toronto			
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	192	217	13.0	0.0
Capital Expenditures Financed From Revenue Fund	53	68	28.3	15.3
Total Debt Charges and Capital Expenditures from Revenue Fund	245	285		
Debt Charges as Per Cent of Revenue Fund Expenditures	11.6	11.6		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	3.2	3.6		
Total as Per Cent of Revenue Fund Expenditures	14.8	15.3		
	Regions			
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	128	139	8.6	3.7
Capital Expenditures Financed From Revenue Fund	62	70	12.9	9.4
Total Debt Charges and Capital Expenditures from Revenue Fund	190	209	10.0	5.6
Debt Charges as Per Cent of Revenue Fund Expenditures	10.2	7.8		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	5.0	5.1		
Total as Per Cent of Revenue Fund Expenditures	15.2	15.1		
	Cities South			
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	128	137	7.0	4.6
Capital Expenditures Financed From Revenue Fund	53	54	1.9	(3.6)
Total Debt Charges and Capital Expenditures from Revenue Fund	181	191	5.5	2.1
Debt Charges as Per Cent of Revenue Fund Expenditures	11.2	11.2		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	4.6	4.4		
Total as Per Cent of Revenue Fund Expenditures	15.8	15.6		

Annual Municipal Capital Expenditures Per Household
Financed from Revenue Fund

Table 6-8
Continued

	Cities North			
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	126	148	17.5	12.1
Capital Expenditures Financed From Revenue Fund	85	98	15.3	25.6
Total Debt Charges and Capital Expenditures from Revenue Fund	211	246	16.6	17.1
Debt Charges as Per Cent of Revenue Fund Expenditures	8.5	9.2		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	5.7	6.1		
Total as Per Cent of Revenue Fund Expenditures	14.3	15.3		
Rural South				
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	51	62	21.6	12.7
Capital Expenditures Financed From Revenue Fund	79	84	6.3	6.3
Total Debt Charges and Capital Expenditures from Revenue Fund	130	146	12.3	9.0
Debt Charges as Per Cent of Revenue Fund Expenditures	6.3	6.9		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	9.7	9.4		
Total as Per Cent of Revenue Fund Expenditures	16.0	16.3		
Rural North				
	1977 \$	1979 \$	1979/77 % Change	1979/78 % Change
Total Debt Charges	49	48	(2.0)	(4.0)
Capital Expenditures Financed From Revenue Fund	91	128	40.7	13.3
Total Debt Charges and Capital Expenditures from Revenue Fund	140	176	25.7	8.0
Debt Charges as Per Cent of Revenue Fund Expenditures	4.5	4.1		
Capital Expenditures as Per Cent of Revenue Fund Expenditures	8.3	10.8		
Total as Per Cent of Revenue Fund Expenditures	12.8	14.9		

The northern cities reported a 25.6 percent increase in capital spending from current revenues in 1979 to total \$98 per household. Coupled with a 12.1 percent growth in debt charges,

this group of municipalities had the largest percentage increase, 17.1 percent, in current funds allocated to capital financing in 1979 compared to 1978.

Total debt charges and capital expenditures from current revenue as a percent of revenue fund expenditures were fairly uniform for all municipal areas with rural north, the lowest of 14.9 percent and the rural south the highest at 16.3 percent. Debt charges alone as a percent of revenue fund expenditures were lowest in the rural north at 4.1 percent and highest in Metro at 11.6 percent. Between 1977 and 1979, the percent of revenue fund expenditures allocated to capital spending remained fairly constant with the exception of the rural north where it increased from 8.3 percent in 1977 to 10.8 percent in 1979.

Chapter 7

Year End Position

Revenue Fund

At the end of 1979, local government had accumulated a current surplus of \$232 million, an increase of \$47 million over 1978 and about 6 percent of the total taxes levied.

Revenue Fund Balance at Year End

Table 7-1

	1977 \$ Million	1978 \$ Million	1979 \$ Million
Municipalities			
Beginning of Year	158	160	166
Add: Revenues	3,829	4,227	4,615
Less: Expenditures	3,827	4,221	4,572
End of Year	160	166	209
Percent of Tax Levy	9.6	9.3	10.6
School Boards			
Beginning of Year	18	32	19
Add: Revenues	3,498	3,737	4,019
Less: Expenditures	3,473	3,761	4,015
End of Year	43	19	23
Percent of Tax Levy	2.8	1.1	1.3
Total Local Sector			
Beginning of Year	176	203	185
Add: Revenues	7,327	7,964	8,630
Less: Expenditures	7,300	7,982	8,587
End of Year	203	185	232
Percent of Tax Levy	6.4	5.4	6.1

Of the total 1979 surplus, municipalities had accumulated \$209 million in current revenues at year end while school boards had \$23 million. The increase in the municipal surplus was mainly for general purpose revenues. As a percentage of total taxation, the municipal surplus equalled 10.6 percent compared to 9.3 percent in the previous year, an indication of municipalities' tendency to overlevy because of more conservative budgeting.

At year end, Metro Toronto had the largest surplus at \$80 million, 11.5 percent of the tax levy. Although the rural municipalities had relatively low surpluses, the ratios of surplus to tax levy in these areas were very high. Rural municipalities in the south and north showed ratios of 17.2 percent and 13.6 percent respectively.

Although the school board surpluses continued to be much lower than the municipal surpluses, an increase of \$9 million to \$23 million in 1979, the amount represented about 17 percent of the taxes levied for school purposes compared to 6 percent on the municipal tax side.

1979 Municipal Revenue Fund Year End Balance
(\$ Million)

Table 7-2

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Revenue Fund						
Surplus at Beginning of Year	52	47	18	4	33	6
Add: Revenue	1,568	1,630	523	171	578	145
Less: Expenditures	1,540	1,622	517	170	577	145
Surplus at end of Year	80	55	24	5	34	6
Percent of Tax Levy	11.5	7.6	9.8	8.6	17.2	13.6

Capital Fund

At the beginning of 1979, municipalities and school boards showed \$197 million in unfinanced capital expenditures. By year end, this figure had been reduced slightly to \$189 million.

The reduction in the level of unfinanced capital outlay occurred solely on the municipal side. Municipalities' unfinanced capital decreased from \$183 million in 1978 to \$166 million in 1979. This was partly due to an increase in provincial grants received in 1979. As a proportion of total capital expenditure, this balance was about 14 percent; significantly higher than the 6.5 percent ratio in 1977.

The rural south, southern cities and regions had the highest levels of capital expenditures still to be financed at year end, (roughly 80 percent of the total) with \$41 million, \$41 million and \$49 million respectively. The rural areas in the north were relatively low with \$4 million.

Capital Fund Position at Year End

Table 7-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million
Municipalities			
Beginning of Year	188	74	183
Less: Revenues	1,250	1,080	1,215
Add: Expenditures	1,136	1,189	1,198
End of Year	74	183	166
Percent of Capital Expenditures	6.5	15.4	13.9
School Boards			
Beginning of Year	5	12	14
Less: Revenues	121	168	129
Add: Expenditures	128	170	138
End of Year	12	14	23
Percent of Capital Expenditures	9.4	8.2	16.7
Total Local Sector			
Beginning of Year	193	86	197
Less: Revenues	1,371	1,248	1,344
Add: Expenditures	1,264	1,359	1,336
End of Year	86	197	189
Percent of Capital Expenditures	6.8	14.5	14.1

1979 Municipal Capital Fund Position at Year End
(\$ Million)

Table 7-4

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Unfinanced Capital Outlay at Beginning of Year	44	59	27	11	35	7
Less: Revenues	344	465	128	46	190	52
Add: Expenditures	307	455	142	49	196	49
Unfinanced Capital Outlay at End of Year	17	49	41	14	41	4
Percent of Capital Expenditure	5.5	10.8	28.9	28.6	20.9	8.2

Reserve and Reserve Funds

At the end of 1979, local governments had accumulated about one billion dollars in reserves and reserve funds. This represented an increase of 11.5 percent over 1978, slightly lower than the 13 percent increase that occurred in the previous year. In 1979, these funds grew faster than the total revenues received by local governments, therefore, the ratio of funds to revenues increased from 10.3 percent in 1978 to 10.5 percent in 1979.

Balance of Reserves and Reserve Funds at Year End

Table 7-5

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1979/77 % Change	1979/78 % Change
Municipalities					
Reserves	278	317	341	22.7	7.8
Reserve Funds	428	485	543	26.9	11.9
Subtotal	706	802	884	25.2	10.2
School Boards					
Reserves	59	58	59	0.0	1.7
Reserve Funds	40	51	73	82.5	43.1
Subtotal	99	109	132	33.3	21.1
Total Local Sector					
Reserves	337	375	400	18.7	6.7
Reserve Funds	468	536	616	31.6	14.9
TOTAL	805	911	1,016	26.2	11.5
Percent of Total Revenues	9.5	10.3	10.5		

Municipalities accounted for over 85 percent of reserves and reserve funds in 1979. Municipal reserves increased 7.8 percent in 1979 to \$341 million compared to 13.3 percent in 1978. Reserve funds balance increased by 11.9 percent to \$543 million, compared to 13.9 percent in 1978. On a per household basis, the trends were the same as in 1978. The regions with \$384 per household reported the highest level of reserves and reserve funds, while Metro Toronto had the lowest, \$200 per household. Municipalities in the north showed a balance ranging from \$277 to \$331 per household, while areas in the south showed levels ranging from \$202 to \$210 per household—well below the Provincial average of \$275.

Municipal 1979 Year End Balance Per Household

Table 7-6

	Metro Toronto	Cities Regions	Cities South	Cities North	Rural South	Rural North	Province
	\$	\$	\$	\$	\$	\$	\$
Reserves	113	118	65	82	98	150	105
Reserve Funds	87	266	137	195	112	181	170
TOTAL	200	384	202	277	210	331	275

The largest component of the reserves and reserve funds are lot levies, which accounted for 18.9 percent of the total year end balance. The provincial per household average for lot levy reserves grew significantly over the year, \$37 to \$52 per household, mainly because of the growth of regional reserves where most building starts occur.

1979 Lot Levy Reserve Funds Per Household

Table 7-7

	Metro Toronto	Cities Regions	Cities South	Cities North	Rural South	Rural North	Province
	\$	\$	\$	\$	\$	\$	\$
Beginning of Year	8	81	25	11	12	2	37
Add: Revenues	6	62	9	6	6	1	34
Less: Expenditures	7	48	6	0	3	1	19
Year End Balance	7	95	28	17	15	2	52
Percent of Total Balance	3.5	24.7	13.9	2.9	7.1	0.6	18.9

Lot levies, as a source of revenue, are generally found in high growth municipalities, therefore the highest level of lot levy revenue occurred in the Regions with \$95 per household. Cities in the south averaged \$28 per household, while cities in the north averaged \$17 per household. As a percent of the total reserves and reserve funds, the Regions accounted for 25 percent compared to 22 percent in 1978. The cities were next with 13.9 percent, and 7.1 percent for cities in the south and north respectively. Metro Toronto showed very little change with a ratio of 3.5 percent.

Tax Collections and Arrears

In 1979 total collections of both current and prior years' taxes increased by 9.7 percent; slightly lower than the rate of increase for property taxes levied in the same year. As a percent of the levy, the current year's collection equalled 95.1, a small improvement over the 94 percent of 1978. However, collections of previous years' taxes decreased from 4.5 percent in 1978 to 3.9 percent in 1979. Overall tax collections were 100.2 percent of the total levy.

1979 Local Government Tax Roll

Table 7-8

	1978 \$ Million	1979 \$ Million	1979/78 % Change	Percentage of 1979 Tax Levy
Taxes Uncollected at the Beginning of Year	234	247	5.1	6.5
Additions to Tax Roll				
Interim and Final Tax Billings	3,376	3,712	9.9	97.8
Sewer Charges Collected				
On Water Bills	73	83	13.7	2.2
Total Taxes	3,449	3,795	10.0	100.0
Penalties and Interest Added	29	32	10.3	0.8
TOTAL	3,478	3,827	10.0	100.8
Reductions				
Collections: Current Year	3,259	3,605	10.6	95.1
Previous Year	154	148	(3.3)	3.9
Discounts and Reductions	52	48	(7.7)	1.3
TOTAL	3,465	3,801	9.7	100.2
Taxes Uncollected at Year End				
Current	188	207	9.7	5.5
Previous Year	42	46	7.1	1.2
Prior Years	17	20	17.6	0.5
TOTAL	247	273	9.8	7.2

At the end of 1979, uncollected taxes amounted to \$273 million; an increase of \$26 million or 9.8 percent over 1978. Tax arrears remained the same proportion of the tax levy in 1979 as in 1978, 7.2 percent.

Tax Collections and Arrears

Table 7-9

	1977	1978	1979
Collections* as Per Cent of Levy (%)			
Current Year	94.2	95.0	94.7
Prior Years	4.4	4.7	3.9
TOTAL	98.6	99.7	99.0
Arrears as Per Cent of Levy (%)			
Current Year	5.7	5.0	5.5
Prior Years	1.6	2.1	1.2
TOTAL	7.3	7.1	6.7
Arrears Per Household (\$)			
Current Year	59	55	66
Prior Years	17	24	14
TOTAL	76	79	80

* Collections included Penalties and Interest

1979 Tax Collections and Arrears
by Municipal Area

Table 7-10

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Collections as Per Cent of Levy (%)						
Current Year	93.0	94.5	97.0	100.0	91.5	91.4
Prior Years	5.7	5.1	3.4	3.8	7.1	6.2
TOTAL	98.7	99.6	100.4	103.8	98.6	97.6
Arrears as Per Cent of Levy (%)						
Current Year	4.9	5.0	4.6	4.8	8.9	7.4
Prior Years	1.2	1.7	1.6	1.0	4.9	3.7
TOTAL	6.1	6.7	6.2	5.8	13.8	11.1
Arrears Per Household (\$)						
Current Year	83	58	54	45	61	53
Prior Years	21	20	19	15	22	22
TOTAL	104	78	73	60	83	75

**PART II. INTER-PROVINCIAL COMPARISON OF
LOCAL GOVERNMENT FINANCE
IN CANADA: 1977 TO 1979**

Chapter 1

Introduction

The British North America Act assigns responsibility for local matters to the provincial level of government in Canada. The scope of local government jurisdiction, its duties, functions and financing powers are therefore established and defined by provincial statute. The comparability of local sector financial operations is often complicated by the wide variety of institutional and financial relationships which have evolved between individual provinces and their municipalities.¹

The purpose of this section of the report is to provide a brief digest of local government financial systems and compare all services and sources of financing which relate to local government operations in a sample of Canadian provinces from 1977 to 1979.

This study encompasses four objectives. It offers a framework for comparison of local sector organization and finance. It provides a basis for the analysis of trends. It highlights provincial reforms contributing to changes in the revenue base of local government and in its role in providing local services. And finally, it underscores deficiencies and inconsistencies in the information base, the details of which are collected, compiled and published by the provincial and federal levels of government.

The inter-provincial comparison is divided into six chapters with the first five devoted primarily to municipal activities and the final, specifically related to operations of local school authorities. The six provinces in the sample are New Brunswick, Quebec, Manitoba, Alberta, British Columbia and Ontario. Detailed information is provided in a set of tables in Appendix B.

Chapter 2

Local Government Organization

Organization, within the context of this report, is broadly defined as the set of locational and jurisdictional parameters which make up the local government system. Within this framework, local governments identify and respond to varying local preferences in the provision of services. Highly urbanized areas, for example, typically require a greater number and higher level of service than do their rural counterparts. As a result a multifaceted organizational setting more readily meets the demands of an urban population. A regionalized structure, incorporating an urban area and its hinterland, reflects a recognition of the interdependence between urban and rural demands in areas of rapid growth. In 1979, local government organization ran the gamut from sophisticated two-tier urban centres to unorganized rural areas having no formal local government whatsoever.

In a two-tier system, area or lower tier municipalities within a geographic region are assembled under an upper tier or regional government to which responsibility for certain region-wide services is allocated. In 1979, these upper tier municipalities were referred to as counties, regions or urban communities and lower tier municipalities, as cities, towns, villages, parishes, or townships depending upon population size and legal status. Financing for upper tier services occurred through levy requisitions on lower tier municipalities and through grants from provincial and federal governments. Municipalities in all provinces surveyed, except Ontario and Quebec, were organized on a single tier system in 1979. Ontario and Quebec had two-tier structures. In British Columbia, only the Greater Vancouver and Capital districts were regionalized although the Province has been moving in the direction of the two-tier system.

A second characteristic of the local organizational structure of Canadian municipalities is the degree of fragmentation of local responsibilities among municipal council, special purpose boards and local enterprises. These latter entities discharge a specific service, for example, public utilities or transit, and are for the most part self-financing through user fees.

The existence of the municipal enterprise is rationalized almost entirely in functional terms. Each entity serves a function for which it is separately accountable to municipal councils and subcouncil committees, but not the electorate at large. This feature contributes to the fragmentation of local government finance through a series of separate levies to cover that portion of enterprise expenditure not met through own source revenues. Fragmentation is probably most extensive in Ontario, less so in British Columbia, Alberta, Manitoba and New Brunswick and least so in Quebec. A list of municipal special purpose entities is provided in Appendix C for each of the provinces.

For the purposes of this analysis, none of the municipal enterprises or boards were consolidated for any of the provinces unless included in the standard classification as reported by municipalities. Thus, for instance, in Ontario, transit and police commissions, parking authorities, homes for the aged, local library board, etc. are all consolidated as a matter of course and are therefore included in this analysis.

Table 2-1 indicates the degree of urbanization across the provinces surveyed. Column 1 shows the number of organized municipalities, i.e. self-administering entities, in each province and Column 2, the urban-rural distribution of population. British Columbia had the highest proportion of population in urban municipalities at 87.4 per cent in 1979. New Brunswick was least urbanized with almost 36 per cent of its population living in rural areas of the province.

Quebec, although seemingly highly urbanized at 73 per cent, actually had only 40 per cent of its population residing in its three urban centres while the remainder was spread across the more than 1,500 smaller more rural municipalities in 1979.

Urbanization 1979

Table 2-1

	No. Of Municipalities*	Population		Density
		Urban	Rural	Population/Sq. Mile
	#	%	%	#
Ontario	836	79.2	20.8	24.4
New Brunswick	115	64.3	35.7	2.4
Quebec	1,572	73.0**	27.0	n/a***
Manitoba	202	77.3	22.7	4.6
Alberta	300	79.2	20.8	8.1
British Columbia	141	87.4	12.6	7.2

* organized municipalities only

** estimate—Source: Finances municipales 1978 (for municipalities with greater than 5,000 population)

*** n/a—not available

Socio-Economic Characteristics

Table 2-2

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
Population (000)	8,274	8,384	1.3	677	677	0.0
Households (000)	3,052	3,199	4.8	210	213	1.4
Total Assessment (\$M)	31,326	33,681	7.5	6,348	7,665	20.7
Average Income/Household (\$) ¹	18,049	21,089	16.8	14,282	16,701	16.9
Gross Provincial Product (\$M)	82,047	99,600	21.4	3,662	4,598	25.5
Quebec						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	6,306	n/a	—	981	981	0.0
Population (000)	210	213	1.4	369	369	0.0
Households (000)	47,232	n/a	—	2,599	2,828	8.8
Total Assessment (\$M)	16,185	19,750	22.0	14,904	17,848	19.7
Average Income/Household (\$) ¹	50,906	63,064	23.9	8,588	10,476	22.0
Alberta						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	1,868	2,011	7.7	2,494	2,570	3.1
Population (000)	564	622	10.3	860	866	0.7
Households (000)	6,461	16,509	155.5	11,247	12,283	9.2
Total Assessment (\$M)	17,550	21,597	23.1	16,807	21,106	25.6
Average Income/Household (\$) ¹	25,311	35,637	40.8	25,137	32,264	28.4

1. See Footnotes—Appendix D

The organization of local government in 1979 is presented for each of the provinces individually.

Ontario

In Ontario in 1979, there were ten regional municipalities with rural and urban areas made up of 73 lower tier municipalities; 27 counties comprising 535 lower tiers; 11 districts located in northern Ontario comprising 171 municipalities; and one totally urban regional municipality—Metropolitan Toronto having six component lower tiers. Cities outside regions were independent single-tier operations. In all, there were 11 in 1979. Two-thirds of the province's population lived in areas with re-organized two-tier systems, i.e. regions. The majority of these were located around Metro Toronto and covered the highest growth areas of the province. Upper tier governments provided services such as policing, transit, major roads, sewer, water, garbage disposal and regional planning. Lower tier municipalities provided fire protection, local roads, recreational services, garbage collection and neighbourhood planning.

In less urbanized areas, the conventional county structure was in place. This applies primarily to all areas of southern Ontario except those under the reorganized or regional system. The county level is the equivalent of the upper tier in the regions except that its responsibilities are generally confined to the provision of social and health services and the construction and maintenance of county roads. Cities and separated towns located within a county are wholly independent entities providing the full range of municipal services. In 1979, most of the northern portion of the province was sparsely inhabited and without any formal municipal organization. The northernmost areas are divided into districts. Areas within districts with sufficient population to justify municipal incorporation are organized into single-tier municipalities. Sudbury and Muskoka are the exceptions; they are reorganized two-tier municipalities. Essential health and social services were provided to northern communities through local boards on a district-wide basis, including areas not organized for municipal purposes.

Quebec

Quebec was divided into cities and towns and 71 county municipalities which were themselves subdivided into villages, parishes, townships, united townships and unorganized territory. In addition, there were a few mining villages and towns governed by *The Mining Village Act* and *The Mining Town Act*. Cities and towns are politically and administratively separate from counties except for some cost-sharing of certain services.

The basic local government unit evolved from the rural church parish. Consequently, most of Quebec's 1,500 lower tier municipalities are rural communities. Over 90 per cent of them had less than, 5,000 population in 1979 and at least 50 per cent had fewer than 1,000 population.

At the county level, boundaries, in many cases, were not closely related to the broader socio-economic community and consequently, from a servicing point of view, never developed a significant upper tier role. The lower tier assumed the basic municipal functions with over half making no expenditures for sewer, garbage disposal and recreation services. Unlike Ontario, cities and towns were a constituent part of the county and represented a kind of unofficial capital for the upper tier area.

Approximately 40 per cent of Quebec's total population resided in three major urban centres—the Montreal Urban Community, Quebec Urban Community, and the Outaouais Regional Community in 1979. The Montreal Urban Community was comprised of the City of Montreal and 29 surrounding municipalities. The Quebec Urban Community was made up of Quebec City and 21 area municipalities and the Outaouais Regional Community, composed of both urban and rural areas, was made up of the City of Hull and 31 surrounding communities. The upper tiers were generally responsible for planning, public transportation, sewer and water treatment, coordination of area police and fire fighting forces and real property assessment, with the lower tiers providing other local services. Each Community is governed by its own separate Act.

New Brunswick

Municipal structure in New Brunswick in 1979 was organized into a fairly simple single tier system. As of January 1, 1979 there were 6 cities, 21 towns, and 88 villages. Two hundred and twenty-two unincorporated local service districts accounted for approximately 36 per cent of the province's total population.

A comprehensive review was conducted in 1967 by the Byrne Commission to rationalize the allocation of responsibilities between municipal and provincial governments. The Commission recommended that any service which is basically people-related should be a provincial responsibility and those that are property-related, a local concern. As a result of the ensuing reforms, education became a purely provincial responsibility along with the administration of justice, public health, welfare, local assessment and tax collection.

To accommodate services designated as purely local responsibilities, *The New Brunswick Municipalities Act* provided for three types of incorporated municipalities—Cities, Towns and Villages; and one unincorporated entity, the Local Service District which was to be wholly administered by the Minister of Municipal Affairs. Further, in response to submission recommendations, 15 single-tier counties providing services in rural areas were replaced by 88 new village governments.

The services most commonly provided by New Brunswick municipalities are typical of those offered by municipalities in other provinces except for a fairly limited role in the provision for health, social and family services (i.e. restricted to first aid and ambulance services), and no responsibility for education services whatsoever.

Manitoba

In 1979, the Province of Manitoba was organized into administrative units known as rural municipalities. Within these were located cities, towns and villages, all of which were politically independent of the rural municipal council. Unorganized territory included local government districts and territory outside these districts for which there was no local administrative organization. Local government districts were operated by a resident administrator appointed by the Province. There were 5 cities, 35 towns, 40 villages, and 105 rural municipalities. In addition, there were 17 local government districts.

Greater Winnipeg was the major urban centre of the province. This area has been the focus of provincial government reform in Manitoba. *The City of Winnipeg Act* came into effect on January 1, 1972 and provided a one-tier government for the whole Winnipeg urban area. Prior to the 1979 reorganization, there was a two-tier form of government with 13 separate lower tier units. Under the Act, Winnipeg, operates under its own legislation and provides all local services. In 1979, the new City of Winnipeg accounted for 0.5 per cent of Manitoba's land area while containing 57 per cent of its population. The city provided two-thirds of all the jobs in the province, two-thirds of total provincial income and three-quarters of the individual income tax.

Alberta

In 1979, there were 328 incorporated municipalities, 30 counties, 18 municipal districts, 10 cities, 104 towns and 166 villages. In addition, there were 20 improvement districts (unincorporated) and three special areas (unincorporated). Towns and villages within counties or municipal districts operated as autonomous units and municipal districts were rural local governments which provide local public works, roads, health, welfare and protection services. Counties were responsible for all services except hospitals, while improvement districts were the less developed rural areas of the province. In 1979, the Province was responsible for those districts of which the majority are located in the northern part of the province.

Calgary and Edmonton accounted for more than half of the total provincial population. Both cities followed a fairly consistent pattern of extending municipal boundaries to absorb suburban development on the fringe thus retaining the single-tier approach to local government organization.

British Columbia

Local government structure in British Columbia consisted of incorporated municipalities (cities, towns, villages and districts), school districts, incorporated regional districts, improvement districts and a number of special purpose districts. Regional districts provided certain services which may have been jointly financed by participating members of local government within a designated area. In addition, the regions had responsibility for coordination of planning and resources. Improvement districts were created to provide a single service such as water or fire protection for a community without municipal organization. Special purpose districts, not incorporated, provided a common service for a number of municipalities, such as water, on a wholesale basis to the members. In 1979, about 0.5 per cent of the total area of British Columbia was incorporated into municipalities which accounted for about 87 per cent of the total population.

Table 2-2 shows the relative growth of Canadian municipalities in terms of their population, households and assessment. In general, growth in these factors was marginal between 1977 and 1979 except in Alberta where significant increases were indicative of the general upswing in the economy of that province. This in turn, placed increased demands on local government services, which are reflected in increases in local government spending illustrated in Chapter 5.

Chapter 3

Municipal Revenue Fund Revenues

Overview

In 1979, municipal revenue structure across Canada followed a relatively similar format. Municipal revenues were derived primarily from three sources: property taxation, non-taxation receipts and transfers from both the federal and provincial governments.

Revenues raised by the municipality from own sources included:

- 1) General property taxation, levied on all assessable property;
- 2) Business taxation;
- 3) Personal property tax, i.e. personal belongings, permitted in some provinces;
- 4) Licenses and user fees, used by municipalities to derive revenue from specific activities or services on an individual consumer basis. These include water and sewer billings and contributions to Homes for the Aged;
- 5) Other miscellaneous sources such as fines, investment income, developer's lot levies, rents, penalties on taxpayers in arrears, etc.

Revenues received from outside sources included federal and provincial payments in lieu of taxes on certain properties exempted from municipal taxation and specific purpose grants for aiding in the provision of certain services. Provincial governments across Canada also provided non-specific or unconditional grants to municipalities in varying forms and amounts. Lastly, municipalities received payments for services which they provided to other municipalities.

Total Local Revenue Fund Revenue by Province

Table 3-1

Province	1977 \$ Million	1978 \$ Million	1979 \$ Million	1979/77 % Change
Ontario	3,829	4,210	4,615	20.5
New Brunswick	116	133	144	24.1
Quebec	2,156	2,460	2,213*	2.6
Manitoba	304	355	389	28.0
Alberta	934	1,038	2,153**	130.5
British Columbia	878	979	1,104	25.7

* Note—decrease shown in 1979 for Quebec municipalities is the result of major reforms to the local property taxation system introduced in that year.

** Note—Municipal Debt Reduction Program¹

Table 3-1 illustrates Total Local Revenue Fund Revenue for the provinces during the three year survey period. Local revenues increased between 20.0 and 30.0 per cent in most of the provinces, with the exception of Quebec and Alberta. In Quebec, local government revenues rose only 2.6 per cent because of provincial reorganization of both local responsibilities and grants policy. Alberta's local revenues increased dramatically from 1977, 130.5 per cent. However, most of this change in revenue was attributable to the Province's Municipal Debt Reduction Program.¹ Removing the effects of this program produced an increase of 61.0 per cent which was still significantly higher than increases in the other provinces.

The rest of this chapter will deal with the different components that make up local revenue fund revenues.

Property Taxation

Responsibility for Property Taxation

In 1979, responsibility for property taxation was primarily a local function. In Ontario, the lower tier municipality levied taxes on behalf of the upper tier and school boards except in unorganized areas where taxation of land and improvements was assumed by the Province under the *Provincial Land Tax Act*. In Alberta, Manitoba, Quebec and British Columbia, property taxation was also a local responsibility. As in Ontario, Alberta and British Columbia levied a provincial property tax in areas without municipal organization. In Quebec, these areas were taxed at the county level. Municipalities in New Brunswick were authorized to levy taxes for local purposes which could be collected by either themselves or the Province. In practice, the Province collected the levies on behalf of all municipalities and returned the equivalent of the full levy regardless of the amount collected. In addition, New Brunswick was the only province which levied a Provincial tax on property in organized municipalities. In 1979, the Province imposed a flat rate of \$1.50 per one hundred dollars of assessment.

Responsibility for functions related to real property assessment vary from province to province. In Ontario, assessment has been a provincial responsibility since 1970. New Brunswick and British Columbia also have performed assessment related functions at the provincial level. In Manitoba, responsibility rests with the Province with the exception of the City of Winnipeg where assessment has been a local responsibility by virtue of the *City of Winnipeg Act*. In Quebec and Alberta real property assessment has been a local responsibility.

Rates of Taxation

In 1979, municipalities in Ontario levied taxes based on mill rates, i.e. rates per \$1,000 of assessed value for own purposes and on behalf of upper tiers and school boards. In all, there were five separate rates applied including general municipal, upper tier, public elementary and secondary and separate elementary, i.e. Roman Catholic Separate School Boards. Mill rates were weighted to maintain a differential between commercial and residential properties to the extent that 85 per cent of the commercial/industrial rate was applied to residential and farm properties for general purposes and 90 per cent for education purposes.

Unlike the practice in Ontario, municipalities in New Brunswick, British Columbia and Quebec imposed a uniform rate on assessed property. Total property taxes in New Brunswick included a provincial rate of 1.5 per cent on real and business assessment in addition to the municipally determined rate based on net expenditures. This latter rate applied to municipal purposes only. In British Columbia, there was one mill rate for general purposes and one mill rate for school purposes.

Quebec municipalities shared the property tax field with the school boards except in the Montreal Urban Community where lower tier municipalities levied school purpose taxes on the school board's behalf. Prior to 1979, municipalities in the region levied a surtax of \$.60 per \$100 of assessed value in excess of \$100,000 but the recent reforms have eliminated this charge.

The Municipal Taxation Act of Alberta authorizes municipalities to levy differential mill rates similar to Ontario. In 1979, properties were distinguished as residential or non-residential. Further, rates varied for classes of residential property, i.e. single family, multi-unit, etc. Taxes were levied by the municipalities on their own behalf and on behalf of all schools and hospitals within municipal boundaries.

Assessment Base

The definition of real property subject to taxation in Ontario included land, buildings and those fixtures used for a functional purpose attached to buildings. Manufacturing machinery

and equipment was excluded. Property assessments were frozen at 1970 values and equalization factors have been applied to standardize assessments for the purpose of apportioning upper tier costs and calculating grants.

For all provinces in 1979, the definition of real property included land and buildings. Alberta and British Columbia included machinery and equipment as well while New Brunswick, like Ontario, assessed only fixtures attached to buildings. Manitoba included machinery in the definition of the personal property tax base. In British Columbia, the assessment for school and general purposes differed in that school assessment also included trade fixtures. The Quebec property tax base included only land and buildings until the 1979 reform package extended it to include machinery and equipment.

The basis for valuation differed among the provinces to the extent that in some cases a uniform assessment basis existed while in others, assessments were variable within categories of property. In Manitoba, land and personal property were assessed at their actual value and buildings were assessed at two thirds of their value. New valuations are made every five years. Property in New Brunswick and Quebec has been assessed at market value with the exception of farmland, which, in Quebec was assessed to a ceiling of \$150 an acre and, in New Brunswick, at its actual and true value as farmland i.e. productivity value. British Columbia municipalities determined an actual value and taxed percentages of this assessment according to categories of property. There were five basic categories used: Residential, Seasonal, Resort and Recreational, 15 per cent; Utilities, Forestry and Industrial, 30 per cent; Farms, 10 per cent; Tree Farms, 60 per cent; Machinery, Equipment, Business and Other, 25 per cent.

A system of variable assessments was also used in Alberta in 1979. For urban municipalities, non-agricultural land was assessed at 65 per cent of market value; for rural municipalities, at 17.1 per cent. Agricultural land had a maximum value of \$40 per acre.

Business Taxation

Municipalities in most provinces levied some form of business taxation in 1979. In Ontario, a business tax was calculated by applying legislated percentage rates to the assessed value of commercial and industrial properties. These rates varied from 25 to 140 per cent depending on the use of the property and was levied against occupants.

Annual rental value was used as a basis for business taxation in British Columbia, Alberta, Manitoba and Quebec. The tax rate was generally set by local councils but in some provinces a limit was placed on the amount of tax that could be collected. Quebec, for example, imposed a limit of 10 per cent assessed annual rental value up to a \$5,000 maximum. Total rental tax proceeds could not exceed 25 per cent of a municipality's total levy. Manitoba limited the business rate to 15 per cent on the annual rental value of business properties unless a higher rate was authorized by the Legislature or local charter. In British Columbia, municipalities had the choice of the greater between a tax based on gross annual rental value of real property occupied or on the taxable value of personal property used for business. Again, a maximum rate was applied; 10 per cent for rental value, 1 per cent for personal property value.

A square footage basis was used in Alberta as an alternative to rental value as was storage capacity, an option in the case of grain, coal, gasoline and oil businesses.

New Brunswick was the only province in the sample other than Ontario to use real property assessment as a basis for business taxation. The rates applied were the equivalent of local real property tax rates and total business taxes could not exceed 17 times the net rental values of the property.

Exemptions

In all provinces there were categories of properties which were excluded from the property tax base and therefore, exempted from paying local taxes. These exemptions have been defined

by Provincial statute(s) and are either mandatory or permissive, i.e. at the discretion of the local council.

In 1979, exemptions common to all provinces included federal Crown lands, provincial government properties and churches. In addition, some properties may be mandatorily exempted from school taxes but permissively exempted for municipal purposes such as homes for the aged in Manitoba.

In Ontario, exemptions were extended to charitable and non-profit organizations such as Boy Scouts, Red Cross, St. John's Ambulance; education properties—public and private; properties of religious institutions; municipal government properties; a host of privately legislated exemptions to cultural and recreational groups, i.e. summer camps, theatres, credit unions, heritage sites, etc; and those authorized by municipal by-law involving Navy League Lands. The federal and provincial governments made payments in lieu of municipal taxation to the equivalent of municipal and school taxes in the case of the federal government, and municipal purposes only in the case of the province. A business tax equivalent was made to the municipality for provincial government enterprises.

In Quebec exempt bodies such as school and charitable institutions paid fees to cover costs of municipal services whereby the fee could not be greater than either the general property tax or 30 cents per \$100 of assessment.

British Columbia's mandatory exemptions were extended to a number of private, public and para-public types of properties, examples of which are churches, public schools, approved private schools, public hospitals, public cemeteries, old age homes, and certain farm lands. Local authorities could also exempt properties such as parks, horticultural or agricultural societies, historic buildings, another municipality's water property or airport. Rural municipalities could exempt tree farms, fire halls and mines from both general and school taxes but not from improvements which remained taxable.

Fewer categories of exemptions were authorized in New Brunswick than in other provinces. Religious property, cemeteries and educational institutions were all assessed but exempt from taxation. Properties owned by voluntary fire associations and agricultural societies were also exempt.

In 1979, all provinces provided some form of relief to farm properties. Ontario provided for total or partial exemptions on farmlands to the extent that they did not require normal municipal services. Farm residences in Alberta were not assessed and farmland was classified as non-residential. As mentioned earlier, Quebec had a ceiling on farm assessment of \$150 per acre and the tax rate could not exceed 2 per cent of the taxable value of the farm or wood lot. In New Brunswick, farmland was assessed at its real value as farmland.

Property Tax Offsets

All provinces provided relief to individual taxpayers via property tax offset programs in 1979. Ontario extended assistance by way of reduction or deferral of property taxes to low income groups including homeowners, renters, farmers and the elderly. Rebates to farmers involved a 50 per cent reduction in taxes on farm and forestry property under the Farm Tax Reduction and Managed Forests Tax Reduction programs. Offsets to the elderly were provided through the Pensioner Tax Credit, the Municipal and School Tax Credit and the Municipal Elderly Resident's Assistance Programs. The latter program was administered at municipal discretion.

In other provinces, credits were provided to renters and homeowners, landlords in the case of Quebec, in addition to other tax relief. Manitoba introduced a cost of living tax credit in 1974. It amounted to 3 per cent of personal exemptions less 1 per cent of taxable income and

was, therefore, designed to assist lower income groups. The Alberta Renter Assistance Credit was applied against provincial income tax for renters under 65 years of age, the maximum credit being \$200. For renters 65 years plus, the Senior Citizen's Renters Assistance Program involved a credit to a maximum \$250 per year. Property tax credits to homeowners under the Property Tax Reduction Program were extended to all homeowners to a maximum of \$400.

Quebec provided relief to farmers placing a ceiling on both assessment and the rate of taxation. The Province compensated municipalities for their resulting losses. The Quebec pensioner's credit equalled 50 per cent of school taxes to a maximum \$125 credit. As of 1979, the Province provided further unspecified relief to tenants and landlords.

New Brunswick extended tax breaks to women no longer supported by a husband, where the assessed value of their real property was less than \$25,000 and net income did not exceed \$3,000.

Table 3-2 demonstrates the level of property tax offsets for the different provinces over the 1977 to 1979 period.

Property Tax Offsets Per Household

Table 3-2

Province	1977 \$	1979 \$	1979/77 % Change
Ontario	142	142	nil
New Brunswick	n/a	n/a	—
Quebec	15	16	6.6
Manitoba	118	127	7.6
Alberta	201	264	31.3
British Columbia	n/a	n/a	—

Total Property Taxation Per Household

Focussing initially on total residential taxation as illustrated on Table 3-3, the burden per household differed marginally between the reporting provinces. For instance, Ontario and Alberta residential taxes varied by \$57 and \$47 for the years 1977 and 1979 respectively. As a percentage of total local revenues, residential property taxation over the three years was highest in Manitoba, fluctuating between 79.5 per cent and 76.1 per cent, and lowest in Alberta, declining from 31.6 per cent to a low of 17.9 per cent over time.

Residential taxes expressed as a percentage of personal income were approximately 4.1 per cent in Manitoba, while Ontario and Alberta each accounted for around 3.0 per cent of income over the 1977 to 1979 period.

Total Residential Property Taxation per Household

Table 3-3

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
Total Taxes (\$)	581	667	5.7	n/a	n/a	—
Taxes as Per Cent of Total Revenues per Household (%)	46.0	45.0	(2.2)	n/a	n/a	—
Income per Household (\$)	18,049	21,089	16.8	14,282	16,701	16.9
Taxes as Per Cent of Income (%)	3.2	3.2	nil	n/a	n/a	—

Total Residential Property Taxation per Household²

Table 3-3 (Continued)

	Quebec			Manitoba		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	n/a	n/a	—	658	732	11.2
Total Taxes (\$)						
Taxes as Per Cent of Total						
Revenues Per Household (%)	n/a	n/a	—	79.5	76.1	(4.3)
Income per Household (\$)	16,185	19,750	22.0	14,904	17,848	19.7
Taxes as Per Cent of Income (%)	n/a	n/a	—	4.4	4.1	—
Alberta						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	524	620	18.3	n/a	n/a	n/a
Total Taxes (\$)						
Taxes as Per Cent of Total						
Revenues Per Household (%)	31.6	17.9	(43.4)	n/a	n/a	—
Income per Household (\$)	17,550	21,597	23.1	16,807	21,206	25.6
Taxes as Per Cent of Income (%)	2.9	2.9	—	n/a	n/a	—

2. See Footnotes —Appendix D

Total property taxes including municipal charges for municipal purposes ranged from \$290 per household in New Brunswick to \$813 per household in Alberta for 1979, Table 3-4. Ontario, Quebec, Manitoba and British Columbia showed levels of \$614, \$564, \$514 and \$666 respectively. These taxes refer to all levies against all classes of property, i.e. residential, commercial, farm, etc. divided by the total number of residential units in each province. The different levels of property tax are explained in part by the variation in method and basis of taxation among the provinces. For instance, in Quebec, the costs of servicing lots were not prepaid but were recovered instead through local taxation while in New Brunswick municipalities levied no rates for school purposes as this service was totally administered by the Province.

Over the three year survey period, total property taxes increased the most in New Brunswick, 27.2 per cent, and the least in Quebec where taxpayers experienced a modest rise of 5.4 per cent.

Total taxation by municipalities in all the provinces was the major component in the make-up of the municipal revenue fund with the exception of New Brunswick where provincial assistance also played an important role. As a per cent of total revenue, total taxation was highest in Quebec and British Columbia, fluctuating between 52 and 58 per cent over the 1977 to 1979 period. Ontario and New Brunswick over this same period had the lowest share of total revenue, from between 42 and 45 per cent and Manitoba was in the middle with approximately 50 per cent.

As shown in Table 3-5, the share of total taxation to total revenue declined dramatically from 41.8 to 23.4 per cent in Alberta from 1977. This was primarily due to the introduction of the Municipal Debt Reduction Program in 1979.

The Municipal Debt Reduction Program was created as a means of providing a once only distribution of a share of the General Revenue Fund Surpluses to municipalities in Alberta. The main purpose, as the program name indicates, was to reduce the debenture debt repayment obligations of Alberta municipalities. A secondary objective, in respect of municipalities having no debenture debts or limited amounts, was to provide unconditional funds that municipalities could use to assist with future needs. Consequently the program created a situation where provincial assistance rose considerably in relation to the taxation component. By discounting this program, Alberta's share for 1979 is comparable with that of New Brunswick and Ontario.

Municipal Revenue Fund Revenues Per Household by Province

Table 3-4

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Taxation						
Property Taxes	496	552	11.3	228	290	27.2
Municipal Charges ³	49	62	26.5	n/a	n/a	—
Subtotal	545	614	12.7	228	290	27.2
Provincial Assistance						
Payments-in-Lieu	22	24	9.0	nil	nil	—
Unconditional Grants	137	152	10.9	197	243	24.3
Conditional Grants	237	267	12.7	28	36	28.5
Subtotal	396	443	11.8	225	279	24.0
User Fees and Service Charges⁴						
Own Municipality	210	253	20.5	n/a	n/a	—
Other	15	14	(6.6)	n/a	n/a	—
Subtotal	225	267	18.7	71	61	(14.9)
Other Revenue	104	131	25.9	29	19	(35.0)
TOTAL	1,270	1,455	14.6	553	649	17.4
Quebec			Manitoba			
1979/77	1977	1979	1979/77	1977	1979	
\$	\$	% Change	\$	\$	\$	% Change
Taxation						
Property Taxes	423	459	8.5	427	514	20.4
Municipal Charges	112	105	(6.3)	ngl.	ngl.	—
Subtotal	535	564	5.4	427	514	20.4
Provincial Assistance						
Payments-in-Lieu	14	9	(36.0)	67	78	16.4
Unconditional Grants	205	206	0.5	58	139	139.6
Conditional Grants	42	43	2.4	56	28	(50.0)
Subtotal	261	258	(2.2)	181	245	35.4
User Fees and Service Charges⁴						
Own Municipality	18	11	(39.0)	31	35	12.9
Other	36	37	2.8	nil	nil	nil
Subtotal	54	48	(12.0)	31	35	12.9
Other Revenue	130	107	(18.0)	180	254	41.1
TOTAL	980	977	(0.4)	819	1,048	27.9

Municipal Revenue Fund Revenues Per Household by Province Table 3-4 (Continued)

	Alberta			British Columbia		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Taxation						
Property Taxes	499	571	14.4	455	503	10.5
Municipal Charges	192	242	26.0	142	163	14.8
Subtotal	691	813	17.7	597	666	11.6
Provincial Assistance						
Payments-in-Lieu	33	37	12.1	15	23	53.3
Unconditional Grants	315	760*	141.3*	145	191	31.7
Conditional Grants	124	1,222*	885.5*	13	20	53.8
Subtotal	472	2,019*	328.0*	173	234	35.2
User Fees and Service Charges						
Own Municipality	88	105	19.3	n/a	n/a	—
Other	16	18	12.5	n/a	n/a	—
Subtotal	104	123	18.3	n/a	n/a	—
Other Revenue	387	525	35.7	263	374	42.2
TOTAL	1,654	3,480*	110.4*	1,033	1,274	23.3

* Municipal Debt Reduction Program

4. See Footnotes—Appendix D

Composition of Municipal Revenue Fund Revenues by Source

Table 3-5

	Ontario		New Brunswick		Quebec	
	1977 %	1979 %	1977 %	1979 %	1977 %	1979 %
Taxation						
Property Taxes	39.1	37.9	41.2	44.7	43.2	47.0
Municipal Charges	3.8	4.3	n/a	n/a	11.4	10.7
Subtotal	42.9	42.2	41.2	44.7	54.6	57.7
Provincial Assistance						
Payments-in-Lieu	1.7	1.6	nil	nil	1.4	1.0
Unconditional Grants	10.8	10.4	35.6	37.4	20.9	21.1
Conditional Grants	18.7	18.4	5.0	5.5	4.3	4.4
Subtotal	31.2	30.4	40.6	42.9	26.6	26.5
User Fees and Service Charges						
Own Municipality	16.5	17.4	n/a	n/a	1.8	1.1
Other	1.1	0.9	n/a	n/a	3.7	3.8
Subtotal	17.6	18.3	12.8	9.4	5.5	4.9
Other Revenue	8.2	9.0	5.2	2.9	13.3	11.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Composition of Municipal Revenue Fund Revenues by Source Table 3-5 (Continued)

	Manitoba		Alberta		British Columbia	
	1977 %	1979 %	1977 %	1979 %	1977 %	1979 %
Taxation						
Property Taxes	52.1	49.0	30.2	16.4	44.0	39.5
Municipal Charges	n/a	n/a	11.6	7.0	13.7	12.8
Subtotal	52.1	49.0	41.8	23.4	57.7	52.3
Provincial Assistance						
Payments-in-Lieu	8.1	7.4	2.0	1.0	1.4	1.8
Unconditional Grants	7.1	13.3	19.0	21.8*	14.0	15.0
Conditional Grants	6.8	2.7	7.5	35.1*	1.3	1.5
Subtotal	22.0	23.4	28.5	57.9	16.7	18.3
User Fees and Service Charges						
Own Municipality	3.8	3.3	6.3	3.0	n/a	n/a
Other	n/a	n/a	1.0	0.5	n/a	n/a
Subtotal	3.8	3.3	7.3	3.5	n/a	n/a
Other Revenue	21.9	24.2	23.4	15.1	25.5	29.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

* Municipal Debt Reduction Program

Provincial Assistance

Over the three-year period, provincial transfers to local governments were in the form of unconditional grants, grants for specific purposes and payments in lieu of taxes.

Ontario, Manitoba, Alberta and British Columbia had revenue sharing programs in the form of unconditional and conditional grants. Under such programs, the Province increases transfers according to the rate of growth of provincial revenues. New Brunswick and Quebec on the other hand, based their increase in transfers on increases in the municipality's standard expenditure.

New Brunswick municipalities had the highest level of provincial support at approximately 41 per cent and British Columbia, the lowest at 17.5 per cent on average over the period. Table 3-5. Alberta's provincial assistance to municipalities was much higher than the other provinces in 1979 at 57.9 per cent, but this was due to the Municipal Debt Reduction Program.

A brief breakdown and analysis of the three types of transfers to local government follows:

Payments in Lieu of Taxes

Provincial governments made payments in lieu of taxes to municipalities on certain provincial properties which were otherwise exempt from municipal taxation.

Municipalities in Ontario and Quebec received payments for properties including universities, vocational schools, hospitals and provincial parks. In Manitoba, provincial parks mentioned above were excluded from payment while in Alberta and British Columbia both parks and educational facilities were not included. New Brunswick municipalities levied taxes on all provincial property, however the Province was responsible for collecting this revenue and transferring the amount to the municipality.

Provincial Assistance Per Household

Table 3-6

Province	Payments-in-Lieu			Unconditional Grants			Conditional Grants		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Ontario	22	24	9.0	137	152	10.9	237	267	12.7
New Brunswick	nil	nil	nil	197	243	24.3	28	36	28.5
Quebec	14	9	(36.0)	205	206	0.5	42	43	2.4
Manitoba	67	78	16.4	58	139	139.6	56	28	(50.0)
Alberta	33	37	12.1	315	760*	141.3	124	1,222*	885.5
British Columbia	15	23	53.3	145	191	31.7	13	20	53.8

* Municipal Debt Reduction Program

Composition of Provincial Assistance

Table 3-7

Province	Payments-in-Lieu		Unconditional Grants		Conditional Grants	
	1977 %	1979 %	1977 %	1979 %	1977 %	1979 %
Ontario	6	6	34	34	60	60
New Brunswick	nil	nil	88	87	12	13
Quebec	5	3	79	80	16	17
Manitoba	37	32	32	57	31	11
Alberta	7	2	67	38*	26	60*
British Columbia	9	10	84	82	7	8

* Municipal Debt Reduction Program

In all of the provinces, with the exception of British Columbia and Quebec, grants-in-lieu were paid on the basis of what property taxes would have been if the properties were privately owned. In British Columbia payments were made on the basis of the local general municipal mill rate. Quebec's payments for school purposes were equivalent to 10 per cent of the net revenues of gas transport or distribution and telecommunication systems, while the maximum rate that could be levied on provincial public sector property was 50¢ per \$100 of assessment.

The range for the five provinces that received payments in lieu of taxes in 1979 was between \$9 per household in Quebec and \$78 in Manitoba, Table 3-6. The variance among the five provinces and between the different years was primarily due to the number of provincial properties, provincial enterprises, their property tax rates and tax exemptions.

Unconditional Grants

Each of the provinces had some level of non-specific transfers to individual municipalities. Several of the provinces had quite complicated calculation procedures for these transfers, while others had relatively simple ones.

Manitoba, Quebec and Ontario had unconditional per capita grants. Manitoba distributed 2 per cent of personal income tax and 1 per cent of corporate income tax to municipalities on a straight per capita basis. In 1979, this accounted for approximately \$19 per person plus \$1.00 or \$2.00 extra for municipalities who had not received assistance for their own police forces. Ontario's and Quebec's per capita grants increased progressively as a municipality's population rose. The minimum payment in Ontario in 1979 was \$7 per capita for population up to 4,000

and the maximum was \$9 per capita for population in excess of 200,000. Quebec's payments in 1977 began at \$6.40 for a population greater than 10,000 and levelled off at \$23.50 for a population of 150,000 or more. Ontario, like Manitoba, had assistance grants of \$10 and \$15 per capita for municipalities and regions respectively, which provided their own police forces.

Another type of unconditional grant administered by New Brunswick and Ontario was the equalization grant. Generally, an equalization grant is a certain level of payment provided to municipalities which are deemed deficient, either in fiscal means or total property assessment in relation to the average for the province.

More specifically, under New Brunswick's equalization program a grants base was found first, by adjusting the actual tax base of a municipality by comparing its per capita assessment and assessment per road mile to that of all the municipalities. The percentage of grant support for the municipality was then calculated by dividing the now adjusted tax base by the total of the actual tax base.

The Province of Ontario, in 1979 provided a resource equalization grant to municipalities which had an equalized assessment below the Provincial standard of \$10,800 per capita. The constraints on the total amount of this grant to a municipality was either the lesser of 25 per cent of the net general dollar levy which was comprised of water and sewer billings, payments-in-lieu and last year's grants or 60 per cent of the relative assessment deficiency per capita of the municipality multiplied by the net general dollar levy.

Quebec provided other unconditional grants through various means in 1977. For instance, municipalities with a population greater than 150,000 received 50 per cent of the tax collected within their territories. Also, municipalities were entitled to receive 25 per cent of the retail sales tax collected by the Province and all racetrack entrance fees. However, in 1979 most of the unconditional grants in place in Quebec, such as the per capita and others mentioned above, were abolished. An equalization grant replaced these former grants and was calculated by determining the gap between a municipality's fiscal capacity and two-thirds of the municipality's average fiscal potential on revenue from taxes from local sources.

Alberta and British Columbia have considerably different unconditional grants programs. Alberta distributed approximately \$60.1 million in municipal assistance grants in 1977. These grants were automatic and municipalities did not need to apply for them. The grants were calculated on a population basis and also on the financial need and ability of the municipality. Only Ontario had a similar grant program, the general support grant, which was paid to all municipalities and amounted to 6 per cent of the previous year's net general dollar levy. Other assistance measures by Alberta were in the form of exemptions to municipalities, where under the *Alberta Property Tax Reduction Act, 1973* municipalities did not have to levy for operating costs of health units and hospitals. Further, they were only liable for 10 per cent of local social welfare program costs rather than the previous 20 per cent. In 1978, British Columbia transferred 1 per cent of individual income taxes, 1 per cent of corporate income taxes and 6 per cent of the sum of gas, oil and sales taxes, land and forest revenues, mineral revenues and net proceeds from gas sales, to municipalities. The grants were both unconditional and conditional and replaced the previous per capita grants which in 1977 amounted to \$34 per capita times 20 per cent of a municipality's population increase.

There were some provinces which had special unconditional grants for geographical, financial and debt reasons. For example, Ontario had a Northern Ontario Special Support Grant where all municipalities in the North received a standard 18 per cent of their previous year's net levies. Manitoba provided an unconditional block funding grant to Winnipeg for financial assistance. Quebec supplied special grants to three urban areas. Finally, Alberta allocated \$500 per capita to each municipality for retirement of debt, i.e. Municipal Debt Reduction Program, in 1979.

With the exception of Ontario and Manitoba, most of the provinces over the 1977 to 1979 period provided the majority of their assistance through unconditional grants. For example, New Brunswick, Quebec and British Columbia supplied 87 per cent, 80 per cent and 82 per cent respectively of their total provincial assistance in unconditional grants in 1979 compared to 34.0 per cent for Ontario and 57 per cent for Manitoba. As exemplified on Table 3-6 and Table 3-7, the Alberta Municipal Debt Reduction Program affected the 1979 results. In per household terms, unconditional grants varied from \$139 per household in Manitoba to \$760 per household in Alberta in 1979.

Conditional Grants

Specific purpose grants were transferred to municipalities across Canada primarily for aiding in the provision of such services as protection, transportation, environmental health, health and welfare, recreation and culture and several others.

In addition to these grants, some provinces supplied specific grants for certain programs they wished to implement. For example, New Brunswick began to expand bilingualism from the provincial level to the municipal level, and they have been offering up to \$75,000 a year to municipalities to begin implementation. Manitoba had a weed control program where they assisted municipalities by providing grants for the costs of the employees and chemicals. Alberta had the same weed control program as Manitoba and also provided per capita grants for municipal and regional libraries for funding, meeting emergencies and special needs.

Ontario provided the greatest level of provincial support through conditional grants, 60 per cent over the three-year period. Manitoba, on the other hand, decreased its support through this measure from the second highest at 31 per cent to the second lowest at 11 per cent, a decrease of 50 per cent. British Columbia provided the least support through conditional grants at around 8 per cent for the 1977 to 1979 period. Alberta results, once again, were inflated due to the Debt Reduction Program in 1979 but net of the program the Province provided most of its support through unconditional grants. In terms of dollar assistance per household, conditional grants varied between \$20 per household in British Columbia to \$267 in Ontario in 1979.

Other Revenue

The other revenue category includes grants and payments in lieu of taxes other than those received from provincial governments. These revenues are received mainly from the Government of Canada and municipal enterprises. The main sources of revenue in this class, however, are fees and service charges and other miscellaneous revenues such as licenses, permits, rents, fines, penalties and interest, contributions from other funds, investment income, etc.

Under the federal *Municipal Grants Act*, the Government of Canada provides annual payments in lieu of property taxes for general and school purposes, transitional payments where taxable property is purchased by the federal government and withdrawn from the tax roll, and payments in lieu of special assessments for local improvements. Generally, these payments are equivalent to what a business occupying similar premises would pay, with some variations from province to province. Properties excluded from federal payments-in-lieu are conservation areas, rehabilitation areas, reforestation areas, parks, historic sites, monuments, museums, public libraries, art galleries, Indian lands and defence properties. Crown dwellings are not excluded from payments in lieu of taxes. Manitoba received the highest level of payments at \$35 per household while Quebec and British Columbia were provided with \$9 per household in 1979, Table 3-8. New Brunswick did not record any payment whatsoever.

Specific purpose grants are also provided by the Government of Canada to certain municipalities for services such as general government, protection, transportation, environmental health, environmental development and recreation and culture. As demonstrated in Table 3-8,

the level of federal transfers for specific purposes was split in half across Canada. Quebec and Manitoba received the greatest amounts, \$91 and \$191 per household respectively in 1979. The rest of the provinces were provided with almost comparable grants varying from \$5 to \$8 per household over the same year. New Brunswick once again did not record any payment.

Other Revenue Per Household

Table 3-8

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
User Fees and Service Charges						
Own Municipal	210	253	20.5	71	61	(14.9)
Other	15	14	(6.6)	nil	nil	nil
Payments from Government of Canada						
Payments-in-lieu	19	21	10.5	nil	nil	nil
Grants	5	5	nil	n/a	n/a	—
Miscellaneous Sources⁵	54	77	42.6	29	19	(35.0)
TOTAL	304	370	21.7	100	800	(20.0)
 Quebec						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
	18	11	(39.0)	31	35	12.9
User Fees and Service Charges						
Own Municipal	18	11	(39.0)	31	35	12.9
Other	36	37	2.8	nil	nil	nil
Payments from Government of Canada						
Payments-in-lieu	n/a	9	—	27	31	14.8
Grants	12	7	(42.0)	32	33	3.1
Miscellaneous Sources	93	91	(2.2)	121	191	57.9
TOTAL	159	155	(2.6)	211	290	37.4
 Alberta						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
	88	105	19.3	n/a	n/a	—
User Fees and Service Charges						
Own Municipal	88	105	19.3	n/a	n/a	—
Other	16	18	12.5	n/a	n/a	—
Payments from Government of Canada						
Payments-in-lieu	13	15	15.4	9	9	nil
Grants	5	8	60.0	6	5	(16.7)
Miscellaneous Sources	368	502	36.4	247	360	45.7
TOTAL	490	648	32.2	262	374	42.7

5. See Footnotes—Appendix D

A large share of specific "Other Revenue" for local governments was from user fees and service charges. User fees and service charges are direct payments by individuals to municipalities for the use of a municipal service. Municipalities across Canada impose these charges on items, or services such as: parks and recreation, library functions, public transit, fire, police, day care, parking lot and meter charges and utilities. Municipalities in each of the provinces received most of their revenue from water and sewer charges, i.e. utilities.

User fees and service charges as a per cent of total municipal revenue fund revenues were highest in Ontario at around 18 per cent and lowest in Manitoba at 3.5 per cent on average over the 1977 to 1979 period. British Columbia did not report any fees or charges. User fees and charges provided the greatest revenue from "Other Revenue" in Ontario and New Brunswick. In dollars per household, Ontario had the highest at \$225 while Manitoba reported the lowest at \$35 in 1979.

Total miscellaneous sources such as those mentioned above also accounted for a large share of "Other Revenue" across Canada. The highest level of miscellaneous sources was in Alberta at \$502 per household while the lowest was New Brunswick at \$19 per household in 1979.

Chapter 4

Provision of Services

Overview

Responsibility for the provision of services is allocated among the two levels of government and their enterprises. Services are provided by the local level, the provincial level, as a joint operation, or by institutions subsidized by either level. In some provinces, services at the local level are further allocated between an upper and lower tier government. The following analysis concentrates on the division of responsibilities among local, provincial and provincial/municipal shared jurisdictions.

Any comparison of local government financial systems is influenced by a number of factors which hinder direct comparability of one system to another and can account for substantial differences, particularly in spending levels. Perhaps the major factor is the allocation of responsibilities mentioned above. The number and variety of municipalities with varying ranges of responsibilities complicates not only comparisons among provinces but also within a province. In any province, the sharing of responsibilities between local and provincial levels can be complex. This does not necessarily imply the overlap of services, but rather, due to historical circumstances or through rational operating arrangements, parts of a service are provided by one level and the rest by another. The roads system, in Ontario for instance, is comprised of provincial highways, county roads systems, urban and local roads and roads in unorganized territories. Provincial highways are the responsibility of the Province. County, urban and local roads are the responsibility of organized municipalities and finally, roads in unorganized territories are provided by local road and statute labour boards. Spending on roads by both levels of government in Ontario is significant and yet, different distributions of responsibility for roads in other provinces could easily distort comparability of financial information.

Another example is New Brunswick's education system. This is entirely a provincial responsibility and thus, figures reflect sizeable expenditures at the provincial level relative to local spending levels and to spending on education by other provincial governments.

A second factor which tends to complicate intergovernmental comparisons is the level of service provided. Generally, the more programs provided or the better the quality of service, the higher the cost. Yet, reported expenditure figures may not give an accurate indication of either the quality or adequacy of the service being compared. A problem exists when comparing local governments *intra-* as well as *inter-provincially*, as service standards vary from municipality to municipality.

Another element affecting cost comparisons arises from the variations in the accounting systems used by the different provinces. In dollar terms and percentage terms, however, the differences caused by different techniques for reconciliation of accounts are relatively small.

A final factor arises out of changes or reforms brought about by provincial legislation or administrative regulation. Municipal finance operates within a dynamic environment, the effect of which may frequently alter the compilation of data over time.

This section deals with the identification and definition of services providing a basis for comparison of jurisdictional responsibility and levels of expenditures. The services are set out by function and provide a measure of the real extent of provincial and municipal operations in the provinces surveyed. Data has been analysed on a "per household" basis as it is a more

practical and accurate measure for determining the real level of services for a municipality and in turn comparing expenditure levels both at the local and provincial level.

General Government

Expenditures on general government services included the costs of salaries and benefits for executive and legislative branches and administrative costs, tax billing and collection costs, audit, personnel and financial services, maintenance of government buildings and other miscellaneous expenses incurred in the normal operations of government.

Generally, in this category, expenditures have been made for own purposes only; that is, provincial level for provincial services and local level expenditures for local services. In Ontario, New Brunswick and Manitoba, excluding the City of Winnipeg, the real property assessment function, which has traditionally been carried out at the local level, was a provincial responsibility so that assessment practices would be standardized within each respective province. Assessment was a local function in Quebec.

Expenditures on General Government per Household

Table 4-1

Province	Local		Provincial		Local	Provincial
	1977	1979	1977	1979	1979/77 % Change	1979/77 % Change
Ontario	120	143	632	922	19.2	45.9
New Brunswick	42	50	866	1,047	19.0	20.9
Quebec	140	155	605	1,204	10.7	99.0
Manitoba	93	108	298	973	16.4	226.5
Alberta	141	145	721	909	3.4	26.1
British Columbia	76	89	486	687	17.1	41.4

Local government spending on this function in 1979 ranged from \$50 per household in New Brunswick to \$155 per household in Quebec. While provinces with high levels of spending at the local level usually reported corresponding high levels at the provincial level, one exception was the Province of New Brunswick which at \$1,047 per household, was the third major spender on this function at the provincial level. In general, spending increases by municipalities were low over the three year period with Alberta reporting only a 3.4 per cent increase. However, provincial spending increases were substantial. For instance, Quebec's grew by 99.0 per cent and Manitoba reported a 226.5 per cent increase from \$298 per household in 1977 to \$973 in 1979. This particular increase was most likely due to variations in data compilation rather than real spending increases.

Protection

This function covered a broad range of services to individuals and property including police, fire, courts and correctional services, regulation, emergency measures, flood control and damage services. The two major spending categories were police protection and fire protection.

In the provinces discussed, policing was a joint local-provincial responsibility. Generally, municipalities supported their own local police forces, whereas in unincorporated areas and in smaller rural municipalities, police services were provided by the provincial government. In New Brunswick, British Columbia and Manitoba, only the larger municipalities provided their own policing, while smaller municipalities and unorganized areas were policed by the RCMP under contract with the federal government.

Fire protection was primarily a local responsibility. Some minimal funding was offered by the provincial governments, but services were administered almost entirely by municipalities which either provided their own services or shared services with other municipalities. For instance, in Quebec, not only fire, but often police services were pooled among smaller municipalities.

Correctional services were largely a provincial responsibility, although some spending on these services was made locally in Quebec, Manitoba, Alberta and British Columbia.

Local spending on protection on a per household basis exceeded provincial spending for all provinces except Quebec and British Columbia. Police services continued to be the dominant service provided by municipalities and spending per household by municipalities was highest in Alberta. Police expenditure in Quebec was fairly low at the local level, \$73 per household, and in fact, since 1977, provincial spending has been greater than local.

Spending on fire services was mainly reported by local government. One notable exception was provincial spending of \$42 per household in British Columbia. There was little consistency

Expenditures on Protection per Household

Table 4-2

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Police						
Local	122	139	14.0	68	89	30.9
Provincial	39	42	7.6	33	52	57.0
Fire						
Local	72	81	12.5	74	94	27.0
Provincial	1	1	0.0	ngl.	ngl.	nil
Other						
Local	29	34	17.2	9	14	55.5
Provincial	44	94	113.6	81	89	9.9
TOTAL						
Local	223	254	14.0	151	197	30.4
Provincial	84	137	63.1	114	141	23.7
Quebec						
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Police						
Local	46	73	58.7	87	106	21.8
Provincial	62	77	24.2	30	38	26.7
Fire						
Local	45	46	2.2	68	82	20.6
Provincial	2	3	50.0	nil	nil	nil
Other						
Local	6	6	0.0	56	71	26.8
Provincial	77	87	13.0	49	51	4.1
TOTAL						
Local	97	125	28.9	211	259	22.7
Provincial	141	167	18.4	79	87	12.7

	Alberta			British Columbia		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Police						
Local	119	147	23.5	98	121	23.5
Provincial	53	77	45.3	35	46	31.4
Fire						
Local	87	103	18.5	76	93	22.4
Provincial	nil	nil	nil	19	42	121.1
Other						
Local	22	31	40.9	18	21	16.7
Provincial	122	172	40.9	142	223	57.0
TOTAL						
Local	228	281	23.2	192	235	22.4
Provincial	175	249	42.3	196	311	58.7

Transportation

Transportation services included roads, public transit, street-lighting, municipal parking facilities, airports and landing strips and docks and harbours. The two most significant services at the local level were roads, including winter control spending, and public transit.

Roads and associated maintenance services were shared responsibilities depending upon the status of the particular road. That is, in general, municipalities built and maintained *intramunicipal* roads while provincial governments built and maintained *intermunicipal* thoroughfares and roads in unorganized areas.

Public transit was provided in larger municipalities and operated generally under the authority of a local transit commission responsible to the local council. In some areas, the transit service was contracted from a private company. The provincial role was usually limited to providing grants towards the costs of transit operations. New Brunswick was an exception since transit in that province was entirely a local function.

Total spending on transportation services was highest in Alberta with municipalities reporting \$536 per household and the Province reporting \$161 per household. Growth rates for both levels exceeded those experienced by the other provinces. Spending on roads alone was \$458 per household for local and provincial expenditures combined.

In Alberta, cities were responsible for the construction and maintenance of provincial highways within their jurisdiction but received two-thirds of the approved costs back from the Province. The steady growth in spending on all subcategories in Alberta was the result of the increase in population experienced in the past ten years.

In Manitoba, there has been a 96.6 per cent increase in provincial spending on roads since 1977. Unfortunately, local level expenditures were not available by sub-function for both New Brunswick and British Columbia. However, for both provinces, provincial expenditure levels exceeded local spending. For British Columbia in particular, the provincial government paid a large portion of construction and maintenance costs of major and secondary highways and arterial roads. Ontario and Manitoba provincial transfers accounted for approximately 50 per cent of total local transportation costs to assist in the provision of local services.

Expenditures on Transportation Services per Household

Table 4-3

	Ontario			New Brunswick		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Roads						
Local	199	208	4.5	n/a	n/a	—
Provincial	178	192	7.8	176	174	(1.1)
Transit						
Local	114	125	9.6	n/a	n/a	—
Provincial	22	39	77.2	nil	nil	nil
Other						
Local	19	25	5.2	n/a	n/a	—
Provincial	12	9	(25.0)	57	70	22.8
Total						
Local	332	358	7.8	123*	142*	15.4
Provincial	212	240	13.2	233	244	4.7
Quebec						
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Roads						
Local	105	104	1.0	98	120	22.4
Provincial	116	142	22.4	146	287	96.6
Transit						
Local	26	24	(7.7)	31	29	(6.5)
Provincial	41	67	63.4	nil	nil	nil
Other						
Local	21	18	(14.3)	56	71	26.8
Provincial	23	33	43.5	117	35	(70.1)
Total						
Local	150	146	(2.7)	185	220	18.9
Provincial	180	242	34.4	263	323	22.8
Alberta						
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Roads						
Local	214	358	67.3	n/a	n/a	—
Provincial	74	100	35.1	279	283	1.4
Transit						
Local	108	138	27.8	n/a	n/a	—
Provincial	n/a	21	—	12	29	141.7
Other						
Local	30	40	33.3	n/a	n/a	—
Provincial	37	40	8.1	198	114	(73.7)
Total						
Local	352	536	52.3	109*	129*	18.3
Provincial	112	161	43.7	487	426	(14.3)

* subcategories consolidated

Environment

Included in this category were expenditures on sewer and water services, garbage collection and disposal, environmental research and pollution control.

Apart from environmental research and pollution control, environmental services were mainly a local responsibility with provincial governments involved in providing technical ex-

Expenditures on Environment Services per Household

Table 4-4

	Ontario			New Brunswick		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Sewer						
Local	79	93	17.7	49	62	26.5
Provincial	nil	nil	nil	nil	nil	nil
Water						
Local	69	79	14.5	111	91	(18.0)
Provincial	ngl.	2	200.0	5	5	0.0
Solid Waste						
Local	36	45	25.0	14	18	28.6
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	nil	nil	nil	nil	nil	nil
Provincial	78	83	6.4	24	33	37.5
Total						
Local	184	217	18.0	174	171	(1.7)
Provincial	79	84	6.3	24	38	58.3
Quebec						
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Sewer						
Local	7	8	14.2	25	30	20.0
Provincial	14	nil	—	nil	nil	nil
Water						
Local	33	45	36.4	50	62	24.0
Provincial	10	18	80.0	33	32	(3.0)
Solid Waste						
Local	27	30	11.1	28	31	10.7
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	9	4	(66.6)	1	1	0.0
Provincial	2	3	50.0	11	19	72.7
Total						
Local	76	87	14.5	104	124	19.2
Provincial	26	21	(19.2)	46	51	10.9
Alberta						
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Sewer						
Local	34	35	3.0	32	39	21.9
Provincial	nil	nil	nil	17	29	70.6
Water						
Local	60	85	42.0	55	66	20.0
Provincial	39	26	(33.3)	3	3	0.0
Solid Waste						
Local	43	47	12.1	32	35	9.4
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	ngl.	6	—	2	3	50.0
Provincial	48	32	(33.3)	35	52	48.6
Total						
Local	137	173	26.3	121	143	18.2
Provincial	89	59	(33.7)	56	84	50.0

pertise or in joint programs with local governments in the areas of water purification and supply.

There were different methods of financing and delivery of sewer and water services. For instance, in New Brunswick, sewer and water services were provided by municipal public utilities commissions and were financed primarily by user fees. In some areas, these systems were privately-operated, such as Alberta's Northeast Water Commission, despite provision for a municipality's partial ownership in the company.

Garbage collection was a wholly local responsibility in all provinces surveyed. In some provinces, such as Ontario and Quebec, solid waste disposal was the responsibility of the upper tier government where one existed.

Provincial spending per household on total environmental services varied significantly among the provinces surveyed. While both British Columbia and Ontario reported spending of \$84 per household in 1979, British Columbia's level represented a 50.0 per cent increase since 1977 compared to 6.3 per cent for Ontario. Only Quebec and Alberta showed decreases in provincial spending levels since 1977. By 1979, Quebec had entirely phased out spending at the provincial level on sewers, while Alberta showed a 33.3 per cent decrease in provincial spending on water. The general trend appeared to be the transfer of responsibilities from the provincial level to the local level. British Columbia was the only province to show increased spending on sewer at the provincial level. As mentioned, expenditures on solid waste collection and disposal were entirely local.

Health and Social Services

The combined category of health and social services included a wide variety of programs and services, the majority of which were provincially funded yet administered by local governments, their agencies and local boards.

In the area of health services, provincial governments assumed responsibility for their own health insurance programs, while municipalities were involved in the provision of hospitals and preventative care services. Exceptions to this were British Columbia, where all health services were joint responsibilities, and New Brunswick and Quebec where hospital services were entirely provincial.

Social assistance, the major component of all social services spending, was a shared function in all provinces except New Brunswick and Quebec where the senior level of government had total responsibility for the deliveries of services. Social security payments including pensions, old age security and income-related tax offsets were provided at the provincial level. Local governments administered general assistance benefits through local welfare boards or on their own and also shared responsibility for other client group services such as children's aid, homes for the aged and day nurseries. Quebec was the only province that controlled family allowance and pension plan programs.

Spending per household by provincial government on health and social services was higher than on any other function and health spending alone accounted for between 50 and 60 per cent of total health and social service expenditures. Spending ranged from \$1,732 per household in Ontario to \$2,440 per household in Quebec. Ontario was the only province to incur sizeable spending at the local level of \$212 per household in 1979.

Expenditures on Health and Social Services per Household

Table 4-5

	Ontario			New Brunswick		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Health						
Local	39	47	20.5			N.A.*
Provincial	1,189	1,319	10.9	1,095	1,413	29.0
Social/Family General Assistance						
Local	175	212	21.1			N.A.
Provincial	241	252	4.6	nil	nil	—
Other Social/Family						
Local	nil	nil	nil			N.A.
Provincial	159	161	1.3	633	643	1.6
Total Health and Social/Family						
Local	214	259	21.0			N.A.
Provincial	1,589	1,732	9.0	1,728	2,056	19.0
	Quebec			Manitoba		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Health						
Local	n/a	n/a	—	9	11	22.2
Provincial	1,175	1,705	45.1	799	1,461	82.9
Social/Family General Assistance						
Local	n/a	n/a	—	29	20	(32.0)
Provincial	404	491	21.5	211	402	90.5
Other Social/Family						
Local	n/a	n/a	—	nil	nil	nil
Provincial	150	244	62.7	146	11	(92.5)
Total Health and Social/Family						
Local	9**	7**	(23.3)	38	31	18.5
Provincial	1,729	2,440	41.1	1,156	1,874	62.1
	Alberta			British Columbia		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Health						
Local	23	27	17.4	15	23	53.3
Provincial	1,098	1,461	33.1	1,179	1,604	36.0
Social/Family General Assistance						
Local	26	40	53.8	41	32	(21.9)
Provincial	nil	334	—	430	435	1.2
Other Social/Family						
Local	ngl.	ngl.	nil	nil	nil	nil
Provincial	695	113	(83.7)	83	113	36.1
Total Health and Social/Family						
Local	49	67	36.7	56	55	(1.8)
Provincial	1,783	1,908	6.4	1,692	2,152	27.2

* N.A.—not applicable

** subcategories consolidated

Culture and Recreation

Expenditures on this category were applied to recreation facilities such as community centres, arenas, parks, swimming pools and cultural services including museums, art galleries, libraries and heritage sites and programs.

Generally, culture and recreation services were delivered at the local level, however, in all provinces, expenditures to support programs were made by both levels of government. In New Brunswick, recreation and community services were provided through either municipalities or, in some cases, private groups. Libraries in New Brunswick were almost entirely supported by provincial funds, while in other provinces, specifically Ontario and Alberta, library services were delivered through a system of library boards funded jointly by provincial and local governments.

Spending by both levels of government varied widely reflecting the diverse range of programs and cost sharing responsibilities found in each province. At the provincial level, spending by Manitoba of \$151 per household, was not only the highest reported, but was also 132.3 per cent more than 1977 levels. Local spending in Manitoba also grew to produce a total local/provincial expenditure per household of \$270. This level was exceeded only by Alberta at a combined level of \$289 per household.

Expenditures on Culture and Recreation per Household

Table 4-6

Province	Local		Provincial		Local	Provincial
	1977	1979	1977	1979	1979/77 % Change	1979/77 % Change
\$	\$	\$	\$			
Ontario	146	160	62	41	9.6	(33.9)
New Brunswick	48	52	38	66	8.3	73.7
Quebec	80	75	82	84	(6.3)	2.4
Manitoba	103	119	65	151	15.5	132.3
Alberta	132	179	112	90	35.6	(19.6)
British Columbia	n/a	n/a	42	51	—	21.4

Planning and Development

Services included in planning and development were land use planning, zoning, commercial and industrial development, residential development, agriculture and reforestation projects, tile drainage and shoreline property assistance and homeownership assistance.

Planning and zoning functions were provided totally by municipalities in both British Columbia and Alberta, while in Manitoba they were provincial functions.

Public housing services were administered generally by local boards on the operating side and financed on the capital side by provincial governments. As well, in most cases, municipalities were responsible for their own zoning by-laws. The provincial role in this area was to provide guidelines and technical and financial assistance.

Expenditures on Planning and Development per Household

Table 4-7

Province	Local		Provincial		Local	Provincial
	1977	1979	1977	1979	1979/77 % Change	1979/77 % Change
\$	\$	\$	\$			
Ontario	35	40	125	94	14.3	(24.8)
New Brunswick	13	15	124	197	15.4	58.9
Quebec	15	18	53	69	20.0	30.2
Manitoba	16	17	54	86	6.3	(74.1)
Alberta	31	38	245	214	22.6	(12.7)
British Columbia	14	21	79	95	50.0	20.3

Provincial spending levels on planning and development were significantly higher for all provinces compared to local levels reported. This was to be expected due to the nature and range of programs incorporated in this category. Alberta spent \$214 per household in 1979 at the provincial level and this was just slightly higher than provincial spending by New Brunswick.

Other

Expenditures in areas unrelated to the functions discussed above were almost entirely provincial programs and services in the areas of energy, labour, consumer and commercial programs, agriculture, forestry, tourism and immigration.

The major components of expenditure in each of the provinces surveyed were as follows: British Columbia—Forestry and Agriculture; Alberta—Energy; Manitoba—Agriculture; Quebec—Agriculture, Forestry, Trade and Commerce; New Brunswick—Forestry and Tourism; and Ontario—Agriculture and Forestry.

Other Expenditures per Household

Table 4-8

Province	Local		Provincial		Local 1979/77 % Change	Provincial 1979/77 % Change
	1977	1979	1977	1979		
Ontario			239	118	—	(50.6)
New Brunswick			210	253	—	20.5
Quebec	Not Applicable		230	240	—	4.3
Manitoba	Applicable		146	121	—	(17.1)
Alberta			477	495	—	3.8
British Columbia			219	291	—	32.9

On a per household basis, spending by Alberta was highest at \$495 in 1979. This was in line with 1977 levels and consisted mainly of spending on energy programs. Manitoba and Ontario experienced decreases in "other" expenditures in 1979 compared to 1977 of 17.1 per cent and 50.6 per cent respectively.

Education

The provision of education services is detailed in the school boards section but some general comments are worth noting here.

In all provinces except New Brunswick the provision of education services was shared between the provincial government and local school boards. Shared services included the provision of primary and secondary schooling whereas post-secondary and special purpose education and training programs were purely provincial responsibilities. In New Brunswick, the Province assumed total responsibility for all education services.

At the primary and secondary school levels, the provincial governments were generally responsible for education guidelines and grants whereas local school authorities dealt with administration, curriculae within those guidelines and local financing. New Brunswick and Alberta were the exceptions. In New Brunswick, the Province was responsible for all aspects of policy and finance and the boards acted as the administrative arm of the Province. Alberta's system was similar to the other provinces except that there was a shared financing responsibility wherein the Province controlled school purposes taxation and the boards, alternative or supplementary sources of finance.

Expenditures on education services are consolidated in total expenditures on the provincial side in Appendix B. The local role is detailed in Chapter 6.

Fiscal Services

Fiscal services consisted of items financed from current expenditures such as debt servicing charges, appropriations to reserves and reserve funds, contributions to capital expenditures and payments for services to authorities outside the municipality proper. Due to the nature of these items, they could not be allocated to any specific function or service.

Debt service charges included the annual principal and interest payments due on outstanding debt. For the purpose of this analysis, fiscal expenditures at the provincial level reported debt charges only and New Brunswick reported the highest level at \$549 per household in 1979. British Columbia had a low level of provincial debt charges in both 1977 and 1979.

Debt charges on municipal debt were the largest single component of fiscal expenditures at that level of government. The charges were substantial for Alberta at \$1,265 per household. However, as explained previously, municipalities in Alberta were organized under the Municipal Debt Reduction Program.

Other fiscal expenditures including transfers to the capital fund and to reserves vary from year to year depending on funds required for capital expenditure programs approved by local councils and authorized allocations to reserve funds.

Fiscal Expenditures per Household¹

Table 4-9

	Ontario			New Brunswick		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Debt Charges						
Local	126	139	10.3	81	102	25.9
Provincial	406	440	8.4	410	549	33.9
Transfers to Capital						
Local	64	72	12.5	10	15	50.0
Provincial	n/a	n/a	—	n/a	n/a	—
Transfers to Reserves						
Local	44	48	9.1	2	4	100.0
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	nil	nil	nil	nil	nil	nil
Provincial	n/a	n/a	—	n/a	n/a	—
Total						
Local	234	259	10.7	93	121	30.1
Provincial	406	440	8.4	410	549	33.9
	Quebec			Manitoba		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Debt Charges						
Local	265	277	4.5	132	194	46.9
Provincial	278	418	50.3	192	221	15.1
Transfers to Capital						
Local	n/a	n/a	—	33	31	(6.1)
Provincial	n/a	n/a	—	n/a	n/a	—
Transfers to Reserves						
Local	n/a	n/a	—	11	11	0.0
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	ngl.	ngl.	nil	nil	nil	nil
Provincial	n/a	n/a	—	n/a	n/a	—
Total						
Local	265	277	4.5	176	236	34.1
Provincial	278	418	50.3	192	221	15.1

Fiscal Expenditures per Household¹

Table 4-9 (Continued)

	Alberta			British Columbia		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Debt Charges						
Local	252	1,265*	401.0	121	154	27.3
Provincial	41	37	(9.8)	27	25	(8.0)
Transfers to Capital						
Local	99	316	219.2	95	115	21.1
Provincial	n/a	n/a	—	n/a	n/a	—
Transfers to Reserves						
Local	40	443	1,007.0	81	137	69.1
Provincial	n/a	n/a	—	n/a	n/a	—
Other						
Local	135	187	38.5	168	199	18.5
Provincial	n/a	n/a	—	n/a	n/a	—
Total						
Local	526	211	320.3	465	605	30.1
Provincial	41	37	(9.8)	27	25	(8.0)

* Municipal Debt Reduction Program.

1. See Footnotes—Appendix D.

Total Provincial Expenditures

Transfers to municipalities were netted off gross provincial expenditures (operating and capital) to determine expenditures allocated to the provision of services by the provincial level.

While provincial revenue fund expenditures were available from each of the provinces on a functional basis, it was not possible to obtain the same breakdown for capital expenditures.² Provincial capital expenditures therefore appear only in aggregate.

Similarly, local government capital fund spending was not obtainable for all provinces according to function. Details of capital expenditure by the local sector by province have been included in Appendix B, Table 3.

On a per household basis, New Brunswick indicated the highest level of spending for all three years except 1979 where Quebec made the greatest expenditure at \$5,345 per household.

Total Provincial Expenditures

Table 4-10

	Ontario			New Brunswick		
	1977 \$M	1978 \$M	1979 \$M	1977 \$M	1978 \$M	1979 \$M
Gross Provincial Expenditures						
Revenue Fund	10,463	12,567	12,186	787	907	982
Capital	447	394	493	113	279	168
Subtotal	10,910	12,961	12,679	900	1,186	1,150
Less: Transfers to Municipalities	1,210	1,326	1,420	47	54	59
Net Provincial Expenditures	9,700	11,635	11,259	853	1,132	1,091
Expenditures/Household (\$)	3,178	3,714	3,520	4,061	5,365	5,122

Total Provincial Expenditures

Table 4-10 (Continued)

	Quebec			Manitoba		
	1977 \$M	1978 \$M	1979 \$M	1977 \$M	1978 \$M	1979 \$M
Gross Provincial Expenditures						
Revenue Fund	7,298	9,067	12,072	849	1,160	1,458
Capital	588	586	607	132	167	184
Subtotal	7,886	9,653	12,679	981	1,327	1,642
Less: Transfers to Municipalities	575	638	583	67	68	91
Net Provincial Expenditures	7,311	9,015	12,096	914	1,259	1,551
Expenditures/Household (\$)	3,329	4,057	5,345	2,377	3,412	4,181
Alberta						
British Columbia						
Gross Provincial Expenditures						
Revenue Fund	2,118	1,950	2,564	2,823	3,111	3,570
Capital	n/a	n/a	n/a	226	201	225
Subtotal	2,118	1,950	2,564	3,049	3,312	3,795
Less: Transfers to Municipalities	267	304	1,244	147	174	203
Net Provincial Expenditures	1,851	1,646	1,320	2,902	3,138	3,592
Expenditures/Household (\$)	3,282	2,872	2,122	3,374	3,595	4,148

Chapter 5

Municipal Borrowing

This chapter deals with the regulations and procedures governing municipal long term borrowing in each province and provides summary data on borrowing trends for the years 1977 through 1979. As a rule, differences in borrowing lie in the extent of provincial control, the unit of government responsible for borrowing, the approvals process and the provisions defining the terms for borrowing set out by provincial legislation, i.e. the source, term, amount and types of debentures prescribed.

In Ontario, authority for borrowing is allocated according to the tier of municipality. All municipal borrowing in restructured municipalities, regions, is undertaken by the upper tier on their own behalf and on behalf of the member municipalities. In all other cases, borrowing is assumed by both the upper tier and the lower tier municipality. Local boards and municipal enterprises are required to issue debt through their lower tier municipality. School boards, however, are authorized to borrow on their own behalf.

Municipalities in Ontario borrow from any source—public, federal or the Province. In addition, municipalities with a population greater than 75,000 are able to issue debentures payable in foreign currencies subject to provincial approval. Most municipalities went to the public market for the majority of their borrowing in 1979. However, a substantial proportion of municipal borrowing was from the Province and its agencies. For example, the municipalities with populations of less than 20,000 were able to borrow at preferred rates from the Ontario Municipal Improvement Corporation (OMIC), a provincially sponsored lending source, for all municipal projects. As well, the Province made loans available for specific purposes for such projects as joint provincial-municipal sewer and water systems; housing development and downtown revitalization and shoreline assistance.

All debt must be approved by the Ontario Municipal Board (OMB) which imposes certain debt restrictions. For example, long term borrowing, municipal and school, should not exceed a fixed percentage of equalized assessment, i.e. 10 per cent for restructured areas, or a percentage of revenue fund expenditures, i.e. 20 per cent for rural municipalities, 25 per cent for urbans. The OMB, in some cases, may qualify its approval by limiting future capital expenditures or debt issues. Once the term of repayment has been established, no local government may extend it. The maximum term is usually twenty years, the minimum, ten. No refinancing is permitted.

As in Ontario, all municipalities in New Brunswick, Quebec and Alberta are authorized to borrow on their own behalf. However, in 1979, most municipalities in New Brunswick allowed the Province to borrow for them. All municipal borrowing in British Columbia was undertaken by the provincial government under the stewardship of the British Columbia Municipal Finance Authority which went to the public market on behalf of all municipalities.

All provinces had a provincial board or commission to which borrowing requirements were submitted for approval. In New Brunswick, all borrowing by municipalities except the City of Saint John was to be approved by the Capital Borrowing Board and could not exceed 2 per cent of equalized assessment in any one year unless otherwise approved by municipal referendum and then, only up to 6 per cent overall. Borrowing for urban renewal projects, housing, sewer and water facilities or electric power was not included in this debt limit.

All municipalities in Quebec must be granted approval by the Quebec Municipal Commission for any long term borrowing. Unlike Ontario, Quebec municipalities were permitted to re-finance a debt. Historically, debt levels have been high for municipalities in Quebec primarily because municipalities have traditionally assumed the role of developer by financing the costs

of servicing land in new subdivision developments. The provincial average level has been high in recent years because of the debt incurred for the 1976 Olympic Games facility in Montreal.

In Manitoba, debt approval must come from The Municipal Board. The process by which the Board approved applications in 1979 was neither statutory nor fixed but there were guidelines which included a project evaluation based on a financial information summary provided by the Ministry of Municipal Affairs and the municipality in question, an arbitrary limit on total long term debt of 30 per cent of equalized assessment and, a provision for a public hearing for airing objections to capital projects.

All municipal debentures in Alberta were issued by the Alberta Municipal Finance Corporation (AMFC) at a preferred interest rate. This rate prior to March, 1980 was 8 per cent. Before any debentures were issued by the AMFC, all borrowing was approved by the Local Authorities Board (LAB). The board reviewed three general areas: 1) the overall priority of the debenture with some projects receiving preference to others; 2) the level of debt sustained and the repayment process (the board's current recommended total debt limit is \$2,000 per capita—once the municipality is above this limit, the board is more reluctant to approve the debenture), and lastly; 3) economic factors such as future resource expansion and residential growth potential. The latter factors play an important role in the board's decision when the total debt limit is exceeded.

Once approval has been given by the LAB, the municipality submits an application to the AMFC. Under the Municipal Interest Stabilization Program in 1979, interest rates in excess of 8 per cent on all AMFC debentures for water and general purposes were covered by the Province except those for gas, electricity and telephone utilities.

In 1979, Alberta introduced the Municipal Debt Reduction Program. The purpose of this program was to reduce the debenture debt repayment obligations of Alberta municipalities and provide unconditional funds to municipalities with minimal debt to assist with their *future* financing needs. Each eligible municipality received \$500 per permanent resident. The program was further extended to include all debenture debt covered by Alberta Environment which meant that municipalities were able to retire most of their general and water debenture debt. Total municipal benefits from this program amounted to just over \$1 billion with \$648 million in cancelled debentures and \$382 million in unconditional grants.

In British Columbia, approval is required from the Province before any municipal debt can be assumed. The conditions set by the Province are that no debt contract can be allowed if the aggregate debt for a municipality exceeds 20 per cent of the total average assessed value of taxable land and improvements in the current year and/or the value of the utility systems and other municipal enterprises.

Once approval is granted, the municipalities supply the regional districts with their borrowing requirements. These are then passed on to the Municipal Finance Authority which authorizes the issue and sale of debentures with regard to market and economic conditions. The Authority is comprised of members appointed by the Regional Boards within the Province.

Long Term Debt Outstanding per Household

Table 5-1

Province	1977	1978	1979	3-Year Average
	\$	\$	\$	\$
Ontario	890	883	892	888
New Brunswick	995	1,118	1,174	1,100
Quebec	1,902	2,018	n/a	—
Manitoba	862	1,144	1,202	1,069
Alberta	2,090	2,295	1,765	2,050
British Columbia	742	860	963	887

As shown in Tables 5-1 and 5-2, municipalities in Alberta had a much higher borrowing level per household over the three year period than any other province. This was partly due to the financing of facilities needed for the 1978 Commonwealth Games held in Edmonton and the construction of the rapid transit system in Edmonton. In addition, up until approximately 1976 constraints had been placed at the provincial level on the level of capital financing available to municipalities. For high growth areas, this meant a retardation in the provision of capital facilities and a dramatic surge in major capital expansions once the constraints were lifted in 1977.¹

Of note also, is the level of borrowing incurred by Quebec municipalities which included debt until recent years, which was acquired to service capital for new subdivision developments.

Total Municipal Debt per Household at Year-end

Table 5-2

Province	1977	1978	1979	3-Year Average
	\$	\$	\$	\$
Ontario	155	91	101	98
New Brunswick	214	166	136	172
Quebec	538	534	312	460
Manitoba	157	157	124	146
Alberta	431	403	635	492
British Columbia	128	115	169	137

Chapter 6

School Boards

Organization

In New Brunswick, education is entirely within the authority of the Province. For administrative purposes, school districts, not based on municipal boundaries, act as operating arms of the provincial government in the preparation of school budgets and the hiring and firing of teaching staff. The Province provides 33 boards with funds budgeted for the cost of the basic education program through a formula designed to equalize the per pupil financial resources available.

In Quebec, Manitoba and Alberta, the provincial governments have taken steps to inject a greater provincial presence in the provision of education services. The three systems consist of locally-administered school divisions or boards which are autonomous in their authority to provide elementary and secondary school services but which are financed primarily from provincial sources. In Alberta and Manitoba, however, the bulk of financing originates in the provincially sponsored School Foundation Program fund. In Quebec, recent reforms have transferred the education property tax field from school boards to municipalities and replaced it with an all-encompassing education grants program.

The British Columbia and Ontario systems permit a broader degree of school board autonomy. In British Columbia, the 74 local boards are sovereign in their own jurisdictions assuming policy, administrative, and financial responsibilities. Similarly, the 194 Ontario school boards have considerable leverage in all aspects respecting the operation of schools.

Three of the five provinces surveyed, provided two publicly funded systems of education. Ontario and Alberta have public and separate, Catholic, elementary systems and Quebec provides Catholic, i.e. public, and Protestant, i.e. separate, schools. New Brunswick, British Columbia and Manitoba sponsor secular systems. In Manitoba, provision is made in the statutes for some shared services between public and private school systems. Public school boards run their elementary and secondary schools.

Expenditures

Responsibility for primary and secondary education rested at the local level in all of the provinces, except in New Brunswick where the Province was wholly responsible for all education spending.

The Province of Ontario with the highest number of pupils and teachers, had the highest amount in school expenditures. Actual dollars spent, operating and capital combined, by the various school boards ranged from \$428 million in Manitoba to \$4.1 billion in Ontario.

School Board Expenditure Per Pupil

Table 6-1

Province	Operating			Capital			Total		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
Ontario	1,755	2,123	20.9	66	74	12.1	1,821	2,197	20.6
New Brunswick	1,235	1,487	20.4	160	160	0.0	1,395	1,647	18.1
Quebec	2,267	3,017	33.1	140	148	5.7	2,407	3,165	31.4
Manitoba	1,505	1,888	25.4	178	190	6.7	1,683	2,078	23.5
Alberta	1,823	2,286	25.4	213	291	36.6	2,036	2,577	26.6
British Columbia	2,027	2,847	15.8	210	149	(29.0)	2,237	2,496	11.6

Total expenditures by school boards averaged between \$1,647 per pupil in Manitoba and \$3,165 in Quebec. This is partly reflected in Quebec's relatively low pupil/teacher ratio in 1979. In all of the provinces except British Columbia, growth in total spending was over 20 per cent in the three-year period. Expenditure increases ranged from 31 per cent in Quebec to 12 per cent in British Columbia in the same period.

School Board Enrolment and Staffing

Table 6-2

Province	No. of School Boards		Enrolment		
	Total #	(000)	1977 (000)	1979 (000)	1979/77 % Change
Ontario	192		1,943	1,859	(4.3)
New Brunswick	35		162	156	(3.7)
Quebec	248		1,260	1,145	(9.1)
Manitoba	57		214	205	(4.2)
Alberta	173		423	419	(0.9)
British Columbia	75		510	495	(2.9)
No. of Teachers		Pupil/Teacher			
	1977 (000)	1979 (000)	1979/77 % Change	1977 #	1979 #
Ontario	92	88	(4.3)	21.2	21.1
New Brunswick	8	8	0.0	20.2	20.0
Quebec	73	71	(2.7)	17.3	16.1
Manitoba	12	12	0.0	17.8	17.1
Alberta	23	23	0.0	18.4	18.2
British Columbia	28	28	0.0	18.2	17.7

School spending levels are largely dependent on enrolments and the number of teachers. In all provinces, the trend was towards declining enrolments and was most significant in Quebec, where the number of pupils dropped 9.1 per cent and least significant in Alberta at 0.9 per cent during the same interval. Ontario and Quebec were the only two provinces that showed significant decreases in the number of teachers, 4.3 per cent and 2.7 per cent respectively. In the remaining provinces, the number of teachers remained virtually unchanged. The substantial decline in the number of students together with the slight decrease in the number of teachers, led to a slight increase in the level of service provided to students, as indicated in the pupil/teacher ratios for the different provinces.

Operating expenditures ranged from \$1,487 per pupil in Manitoba to \$3,017 per pupil in Quebec. Although Quebec's student enrolments were down the most in 1979, its school boards have had the highest increases in current expenditures at 33.1 per cent.

Although there was a general decline in enrolments, some provinces experienced growth in capital spending. Alberta with a spending level of \$291, the highest of all provinces, experienced the highest capital growth at 36.6 per cent (school boards here also had the lowest enrolment decline). Although enrolment dropped slightly for the provinces as a whole, some areas experienced substantial growth as witnessed by an increase in population and households over the period. This growth required new facilities and, in addition, old buildings required renovations. British Columbia was the only province in which school boards showed a substantial drop in capital expenditures, 29 per cent.

Revenues—Overview

The major components of operating revenues for school boards were property taxation and provincial assistance. Other financing took the form of grants from the provinces, except New

Brunswick, some payments-in-lieu from the local, provincial and federal levels and other miscellaneous revenues. In Ontario, the payments-in-lieu are collected by the municipalities and transferred to the school boards. With these exceptions, no other revenue sources were reported for school boards.

Differences among the provinces in the school property tax system lay in the tax base, what authority set the school rate, and how this rate was determined.

In Ontario, a school board requisitioned the lower tier municipalities within its jurisdiction which, in turn, levied taxes on the school boards behalf, but school boards did maintain their own powers of taxation. The total school board levy was apportioned among area municipalities on the basis of their ability to pay, i.e. relative to their equalized assessment. The Province contributed about 54 per cent of the total school board revenues.

In New Brunswick, Alberta and British Columbia, the Province levied a basic property tax rate which was applied uniformly throughout the province to cover normal expenditures for the current school program. The Province of New Brunswick assumed full responsibility for education but permitted individual school districts to levy a supplementary tax for additional expenditures not approved beyond the normal operating level and requiring ratification by the rate-payers.

In Alberta, the major portion of local education requirements was met through the School Foundation Program Fund, a provincial agency. The basis of funding is per pupil (varying according to the level of instruction and size of the school district). The bulk of the revenues, about 85 per cent, were derived from provincial government general revenues with the remainder provided by a requisition upon all municipalities. The requisition consisted of a 26 mill levy upon non-residential and non-farm equalized assessments and applied for both the public and separate systems. The Province contributed an amount equal to what would have been raised if residential and farm properties were included in the assessment. Like New Brunswick, local school authorities could levy a supplementary requisition to meet requirements beyond those financed by the School Foundation Program Fund or other provincial grants although the increase in mill rate was subject to an 8 per cent limitation. As in the case of Ontario school boards, the total requisition was apportioned to municipalities within the school jurisdiction on the basis of equalized assessment. British Columbia levied a basic mill rate which was applied uniformly. Municipalities levied and collected taxes on the school board's behalf except in the case of unorganized territories where the Province took on this responsibility. Again, individual school districts could increase the standard rate above its set level but this power was seldom exercised in British Columbia. In addition to the tax levy, a basic budget balancing grant was extended for operating purposes. As well, the Province offered a second grant to cover 50 per cent of debt carrying charges. The tax base in British Columbia was more extensive than that for general municipal purposes in that it included trade fixtures. Consequently, machinery-intensive commercial and industrial concerns assumed a greater burden of school taxation. Furthermore, like Alberta, it has historically accorded preferential treatment for school purposes taxation to residential and farm properties via limitations on increases in taxable assessment.

In Manitoba, the major portion of local education requirements was met through the foundation program. The program allowed for 80 per cent of the total costs to be provided from provincial revenue, with the remaining 20 per cent coming from a standard levy, which in 1979 amounted to 5.0 mills on the provincially equalized assessment of farmland and residential property and 35.9 mills on the provincially equalized assessment of other property. Expenditures in excess of the foundation program were met by special levies within each division. The Public Schools Finance Board has general responsibility for the control and regulation of financial affairs related to the foundation program.

The Province of Quebec has recently undergone extensive reforms in its local government financing arrangements. Prior to 1979 school boards had autonomous powers of taxation and

borrowing. Regional boards, responsible for secondary education, requisitioned local boards for that portion of their requirement not met by statutory grants. School boards imposed a standard tax rate of \$1 per \$100 taxable assessment within school board boundaries. The difference required to meet a budgeted level of expenditure was covered by budget-balancing provincial grants. Expenditures in excess of the normal requirement were met by a supplementary tax rate as in the case of other provinces.

Under the new system school board revenues will originate largely through provincial financing. The standard \$1 tax rate has been transferred to municipalities and the remaining requirement will be funded through provincial grants, i.e. property tax receipts replaced by budget-balancing grants. Supplementary taxes remain a perogative of local school boards subject to legislative restrictions.

The newly introduced reforms reflect a move in Quebec towards greater standardization of the education system on the financing side.

Revenues by Source

As expected, the school boards with the highest levels of school spending also had the highest revenue per pupil. Revenues per pupil went from \$2,176 in Ontario to \$3,018 in Quebec in 1979. In the period between 1977 to 1979, revenues grew as fast as total expenditures and, except in the case of Alberta and Manitoba, growth in revenues exceeded that of expenditures.

School Board Revenues Per Pupil

Table 6-3

	Ontario			New Brunswick		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Property Taxation						
Local	785	996	26.9			
Provincial	nil	nil	nil			
Provincial Assistance						
Grants	963	1,102	14.4			not applicable *
Payments-in-Lieu	19	23	21.1			
Other Revenue	33	55	27.9			
TOTAL	1,800	2,176	20.8			
	Quebec			Manitoba		
	1977 \$	1979 \$	1979/77 % Change	1977 \$	1979 \$	1979/77 % Change
Property Taxation						
Local	518	364	(29.7)	715	902	26.2
Provincial	nil	nil	nil	173	200	15.6
Provincial Assistance						
Grants	1,667	2,546	52.7	1,023	1,180	15.3
Payments-in-Lieu	2	1	(50.0)	n/a	n/a	—
Other Revenue	81	107	32.1	51	68	33.3
TOTAL	2,268	3,018	33.1	1,962	2,350	19.8

School Board Revenues Per Pupil

Table 6-3 (Continued)

	Alberta			British Columbia		
	1977	1979	1979/77 % Change	1977	1979	1979/77 % Change
	\$	\$		\$	\$	
Property Taxation						
Local	381	556	45.9	844	1,077	27.6
Provincial	161	217	34.8	199	271	36.2
Provincial Assistance						
Grants	1,210	1,403	15.9	860	852	(0.1)
Payments-in-Lieu	nil	nil	nil	nil	nil	nil
Other Revenue	87	112	28.7	96	154	60.4
TOTAL	1,839	2,288	24.4	2,000	2,354	17.7

* Provincial responsibility

The predominant source of operating revenues everywhere but in British Columbia was provincial grants. The level of support received by school boards from the provinces averaged between \$852 per pupil in British Columbia to \$2,547 per pupil in Quebec. Over the period examined, provincial grants increased an average of 15 per cent for boards in all the provinces except Quebec. The growth in Quebec grants was significantly higher at 52.7 per cent, reflecting the structural changes undertaken in 1979.

Revenues from taxation were highest in British Columbia amounting to \$1,348 per pupil and lowest in Quebec at \$364 per pupil. Quebec aside, Alberta school boards had the lowest per pupil revenue from taxation, \$733, and the highest increases in taxation revenue, 42.6 per cent, than any of the other provinces over the period.

Composition of School Board Revenues by Source

Table 6-4

Province	Provincial Assistance							
	Property Taxation		Grants		PIL's		Other Revenue	
	1977	1979	1977	1979	1977	1979	1977	1979
	%	%	%	%	%	%	%	%
Ontario	43.6	45.4	53.5	51.0	1.0	1.1	1.9	2.5
New Brunswick	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Quebec	22.9	12.1	73.5	84.4	ngl.	ngl.	3.6	3.5
Manitoba	45.3	46.9	52.2	50.1	nil	nil	2.6	3.0
Alberta	29.5	33.8	65.8	61.3	nil	nil	4.7	4.9
British Columbia	52.2	57.3	43.0	36.2	nil	nil	4.8	6.5

The share of school expenditures borne by the provinces dropped considerably over the period for all boards except those in Quebec. The decrease in provincial grants share of revenues was greatest in British Columbia, 15.6 per cent, and the least in Manitoba at 4 per cent. As a result, the property tax share of revenues increased for school boards in general for all provinces except Quebec and New Brunswick.

Borrowing

One of the main sources of financing school board expenditures was borrowing. The procedures and regulations applying to borrowing vary from province to province. In Ontario, capital debentures were issued by individual school boards on their own behalf and were subject to the approval of the Ontario Municipal Board, a provincial regulatory agency which among other things, monitors the capital financing activities of local governments. Most of Ontario's

school boards borrow from the Province and its agencies. In New Brunswick, responsibility for all capital financing rests with the Province which borrows on the school districts' behalf. In Quebec, the Quebec Municipal Commission directly controls all debenture marketing by school boards taking care of all procedural matters i.e. invitations to bid, etc. paralleling the control exercised over municipal borrowing. Refinancing of school board debentures is permitted in Quebec.

School boards in British Columbia utilize the same procedures for borrowing as municipalities. Debentures are approved by a committee at the provincial level. Financing is obtained via sale of debentures by the British Columbia School Districts Capital Financing Authority. Debt retirements are shared by the Province and boards on a minimum basis of 50-50. The Province may take a larger share, up to 64 per cent. Therefore, with the exception of British Columbia and New Brunswick the school boards are responsible for obtaining and repaying their debt.

School Boards-Long Term Debt per Pupil

Table 6-5

Province	In-Year Borrowing			Total Debt Outstanding		
	1977	1979	3-Year Average	1977	1979	3-Year Average
	\$	\$	\$	\$	\$	\$
Ontario	30	32	36*	740	707	728
New Brunswick	n/a	n/a	n/a	n/a	n/a	n/a
Quebec	164	123	153	1,123	1,301	1,212
Manitoba	145	107	113	944	1,063	998
Alberta	104	117	96*	879	954	907
British Columbia	192	135	173	1,654	2,063	1,865

* See Appendix B for 1978 totals affecting 3-year averages.

Over the last three years, school boards in British Columbia borrowed the most at \$173 per pupil while boards in Ontario borrowed the least at \$36 per pupil. These amounts also paralleled the level of per pupil debt outstanding which averaged between \$1,865 for boards in British Columbia and \$728 for boards in Ontario.

Appendix A

Detailed Municipal Financial Data by Upper Tier

Table 1:	Demographics
Table 2:	Revenue Fund—Revenues
Table 3:	Revenue Fund—Expenditures
Table 4:	Capital Fund—Financing
Table 5:	Capital Fund—Applications
Table 6:	Municipal Debt

Demographics

Table 1

	No. of Municipalities	Population			66+
		Total	0-19	20-65	
<i>Regions</i>					
Metropolitan Toronto	7	2,131,159	27.2	62.5	10.3
Durham	9	272,750	34.8	58.3	6.9
Haldimand-Norfolk	7	87,262	33.0	55.5	11.5
Halton	5	240,248	34.5	59.1	6.4
Hamilton-Wentworth	7	407,759	30.1	59.6	10.3
Niagara	13	367,228	32.0	57.7	10.3
Ottawa-Carleton	12	541,932	29.6	62.1	8.2
Peel	4	437,826	36.1	59.4	4.5
Sudbury	8	160,587	37.0	57.3	5.7
Waterloo	8	300,720	33.1	58.6	8.3
York	10	222,990	34.4	58.3	7.2
Muskoka	7	36,665	29.1	56.6	14.3
Oxford	9	85,078	32.5	55.9	11.6
<i>Total</i>	106	5,292,204	30.6	60.4	9.0
<i>Counties</i>					
Brant	8	98,768	32.4	57.0	10.6
Bruce	32	58,213	34.1	53.8	12.1
Dufferin	10	30,327	36.1	54.7	9.1
Elgin	18	69,795	32.8	54.9	12.3
Essex	24	318,319	33.2	56.8	10.0
Frontenac	17	114,237	28.1	62.5	9.4
Grey	28	72,881	31.4	54.8	13.8
Haliburton	11	10,733	26.9	56.1	17.1
Hastings	30	104,662	32.8	56.6	10.6
Huron	27	56,399	33.6	53.3	13.1
Kent	23	107,449	33.5	55.6	10.9
Lambton	22	118,138	33.3	57.5	9.2
Lanark	18	44,987	29.9	56.4	13.6
Leeds and Grenville	26	80,784	31.6	56.2	12.2
Lennox and Addington	14	32,757	34.3	54.8	10.9
Middlesex	24	319,195	30.5	60.0	9.5
Northumberland	16	64,099	31.5	56.1	12.4
Perth	17	66,147	33.2	54.6	12.1
Peterborough	20	100,249	31.3	57.4	11.3
Prescott and Russell	19	52,201	35.3	55.6	9.2
Prince Edward	11	22,259	30.3	56.0	13.7
Renfrew	38	87,219	33.4	55.9	10.7
Simcoe	36	217,306	32.7	56.8	10.5
Stormont, Dundas and Glengarry	22	100,466	33.0	55.5	11.5
Victoria	19	46,751	30.5	55.3	14.2
Wellington	22	128,819	32.7	57.6	9.7
<i>Total</i>	552	2,523,160	32.2	57.0	10.8
<i>Districts</i>					
Algoma	24	118,378	35.7	57.6	6.7
Cochrane	14	86,123	36.8	55.5	7.7
Kenora	13	36,584	34.2	57.3	8.5
Manitoulin	13	7,144	31.5	51.8	16.7
Nipissing	16	73,415	35.6	55.7	8.7
Parry Sound	28	27,351	31.4	54.7	13.9
Rainy River	15	20,423	34.2	54.6	11.2
Sudbury	11	18,816	38.7	54.3	7.0
Thunder Bay	19	141,755	32.3	58.7	9.0
Timiskaming	26	38,529	34.9	53.6	11.5
<i>Total</i>	179	568,518	34.6	56.6	8.8
PROVINCIAL TOTAL	837	8,383,882	31.4	59.1	9.5

Demographics

Table 1
(Cont.)

	Households			Hectares	
	Total	% Permanent	Pop. Perm. Hshld.	Total	Pop. Hectares
<i>Regions</i>					
Metropolitan Toronto	805,183	100.0	2.6	63,831	33.39
Durham	94,010	97.8	2.9	242,184	1.13
Haldimand-Norfolk	35,274	87.4	2.5	282,725	0.31
Halton	80,116	99.9	3.0	98,305	2.44
Hamilton-Wentworth	153,347	99.9	2.7	112,136	3.64
Niagara	135,548	97.6	2.7	179,828	2.04
Ottawa-Carleton	205,977	99.3	2.6	270,848	2.00
Peel	146,675	100.0	3.0	126,312	3.47
Sudbury	55,480	96.5	2.9	279,244	0.58
Waterloo	107,702	99.9	2.8	134,270	2.24
York	75,275	95.9	3.0	171,869	1.30
Muskoka	33,245	42.0	1.1	381,619	0.10
Oxford	29,836	99.7	2.9	196,373	0.43
<i>Total</i>	1,957,668	98.2	2.7	2,539,544	2.08
<i>Counties</i>					
Brant	36,295	100.0	2.7	91,662	1.08
Bruce	29,686	72.6	2.0	394,063	0.15
Dufferin	10,865	93.8	2.8	148,958	0.20
Elgin	25,851	96.5	2.7	187,984	0.37
Essex	115,367	98.1	2.8	186,199	1.71
Frontenac	46,679	85.9	2.4	381,973	0.30
Grey	32,819	86.4	2.2	450,470	0.16
Haliburton	16,531	26.7	0.6	416,873	0.03
Hastings	43,694	88.0	2.4	586,955	0.18
Huron	22,925	86.8	2.5	340,272	0.17
Kent	39,466	97.2	2.7	248,115	0.43
Lambton	46,468	95.1	2.5	283,093	0.42
Lanark	20,085	80.2	2.2	293,885	0.15
Leeds and Grenville	34,914	83.8	2.3	339,008	0.24
Lennox and Addington	13,854	83.7	2.4	284,069	0.12
Middlesex	122,408	100.0	2.6	328,814	0.97
Northumberland	26,736	87.2	2.4	209,325	0.31
Perth	23,444	99.8	2.8	219,014	0.30
Peterborough	48,546	75.9	2.1	394,255	0.25
Prescott and Russell	17,512	95.7	3.0	200,273	0.26
Prince Edward	9,682	84.7	2.3	104,819	0.21
Renfrew	35,841	84.7	2.4	763,869	0.11
Simcoe	95,866	83.4	2.3	480,004	0.45
Stormont, Dundas and Glengarry	36,081	97.5	2.8	329,340	0.31
Victoria	25,856	70.2	1.8	306,690	0.15
Wellington	46,408	97.7	2.8	265,926	0.48
<i>Total</i>	1,023,879	89.5	2.5	8,235,908	0.31
<i>Districts</i>					
Algoma	42,676	93.6	2.8	359,202	0.33
Cochrane	30,684	95.5	2.8	810,566	0.11
Kenora	14,007	92.2	2.6	166,147	0.22
Manitoulin	4,151	68.2	1.7	164,653	0.04
Nipissing	26,953	92.9	2.7	272,816	0.27
Parry Sound	18,013	56.4	1.5	353,755	0.08
Rainy River	7,814	96.7	2.6	236,035	0.09
Sudbury	6,903	89.9	2.7	150,980	0.12
Thunder Bay	51,810	96.9	2.7	372,686	0.38
Timiskaming	14,533	97.2	2.7	292,373	0.13
<i>Total</i>	217,544	91.1	2.6	3,179,214	0.18
PROVINCIAL TOTAL	3,199,091	94.9	2.6	13,954,666	0.60

Demographics

Table 1
(Concluded)

	Assessment		
	Residential		Equalized Per Household
	Equalized \$000	Total %	
<i>Regions</i>			
Metropolitan Toronto	29,149,730	55.2	36,200
Durham	2,705,154	73.3	29,800
Haldimand-Norfolk	987,658	77.1	28,200
Halton	2,643,703	73.9	33,000
Hamilton-Wentworth	4,095,884	62.9	26,800
Niagara	3,441,610	65.7	25,300
Ottawa-Carleton	5,078,538	70.3	24,600
Peel	5,660,562	70.1	38,600
Sudbury	1,482,769	60.4	26,900
Waterloo	2,926,600	65.6	27,100
York	2,950,815	75.9	39,300
Muskoka	846,848	84.5	25,500
Oxford	834,563	67.5	27,800
<i>Total</i>	<i>62,804,434</i>	<i>62.9</i>	<i>32,100</i>
<i>Counties</i>			
Brant	889,969	66.7	24,700
Bruce	591,943	88.7	19,700
Dufferin	344,424	83.4	31,311
Elgin	632,933	70.4	24,500
Essex	3,253,774	65.6	28,300
Frontenac	921,686	70.8	19,600
Grey	844,061	79.7	25,600
Haliburton	164,995	91.5	9,900
Hastings	747,764	69.2	17,000
Huron	415,556	82.6	18,100
Kent	935,206	71.9	24,000
Lambton	1,351,158	65.3	29,400
Lanark	275,819	75.4	13,800
Leeds and Grenville	597,444	65.7	17,100
Lennox and Addington	244,656	72.8	17,500
Middlesex	2,827,546	69.1	23,200
Northumberland	554,235	76.7	21,000
Perth	539,800	73.1	23,500
Peterborough	981,959	74.4	20,200
Prescott and Russell	262,499	72.0	15,000
Prince Edward	156,303	82.4	16,100
Renfrew	494,653	72.0	13,700
Simcoe	2,234,693	75.8	23,300
Stormont, Dundas and Glengarry	657,146	63.0	18,300
Victoria	428,540	87.5	16,500
Wellington	1,248,120	74.9	27,100
<i>Total</i>	<i>22,596,882</i>	<i>71.9</i>	<i>22,100</i>
<i>Districts</i>			
Algoma	934,673	59.8	21,700
Cochrane	610,273	51.0	19,700
Kenora	283,116	46.0	20,200
Manitoulin	100,620	84.7	24,200
Nipissing	518,438	61.8	19,200
Parry Sound	454,250	84.3	25,200
Rainy River	123,593	46.2	15,400
Sudbury	112,624	51.3	16,100
Thunder Bay	1,134,394	49.5	21,800
Timiskaming	185,659	61.0	12,800
<i>Total</i>	<i>4,457,640</i>	<i>57.8</i>	<i>20,400</i>
PROVINCIAL TOTAL	89,858,956	64.9	28,100

Revenue Fund—Revenues

Table 2

Taxation (Municipal)					
	Res. and Farm	Comm., Ind. and Business	Special Charges	Sewer Surcharge on Direct Water Billings	Total
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	329,693	334,119	14,325	18,561	696,690
Durham	35,951	17,252	2,269	5,242	60,714
Haldimand-Norfolk	9,551	3,413	920	1,605	15,489
Halton	33,390	14,808	2,278	323	50,799
Hamilton-Wentworth	58,428	44,452	3,167	12,363	118,411
Niagara	46,553	30,566	3,263	1,145	81,528
Ottawa-Carleton	78,236	43,737	7,673	6,208	135,854
Peel	50,942	26,388	3,545	12,016	92,891
Sudbury	17,786	15,669	1,957	0	35,412
Waterloo	37,563	23,873	2,312	5,060	68,808
York	27,140	10,729	3,314	1,266	42,448
Muskoka	5,520	1,312	299	384	7,515
Oxford	9,517	6,498	803	547	17,366
<i>Total</i>	740,271	572,815	46,126	64,721	1,423,933
<i>Counties</i>					
Brant	11,072	7,079	1,037	1,195	20,384
Bruce	6,803	1,257	1,035	213	9,308
Dufferin	2,968	906	241	162	4,276
Elgin	5,902	3,337	935	211	10,384
Essex	38,028	26,778	4,256	1,037	70,099
Frontenac	11,373	5,789	970	412	18,544
Grey	7,250	3,483	646	473	11,853
Haliburton	1,851	203	165	14	2,233
Hastings	8,473	5,575	1,048	1,563	16,658
Huron	5,687	1,821	403	601	8,512
Kent	11,626	6,582	2,179	1,186	21,574
Lambton	14,616	9,889	2,325	753	27,584
Lanark	3,703	1,755	346	210	6,014
Leeds and Grenville	5,737	4,440	521	324	11,022
Lennox and Addington	2,282	1,123	286	289	3,980
Middlesex	36,589	20,519	2,802	54	59,965
Northumberland	4,868	2,422	551	534	8,375
Perth	6,670	3,705	649	669	11,693
Peterborough	11,952	6,346	987	237	19,522
Prescott and Russell	4,284	1,930	690	166	7,070
Prince Edward	1,503	491	149	22	2,166
Renfrew	5,655	3,306	939	617	10,517
Simcoe	20,670	10,249	2,455	1,962	35,336
Stormont, Dundas and Glengarry	8,232	6,417	978	813	16,441
Victoria	4,475	1,197	369	93	6,133
Wellington	13,447	6,214	817	1,334	21,812
<i>Total</i>	255,716	142,816	27,779	15,144	441,455
<i>Districts</i>					
Algoma	10,727	9,302	1,314	661	22,004
Cochrane	5,809	6,405	692	311	13,217
Kenora	2,564	3,470	443	376	6,852
Manitoulin	629	149	44	38	859
Nipissing	5,790	4,054	821	1,282	11,947
Parry Sound	2,331	622	241	185	3,379
Rainy River	1,372	2,047	247	152	3,818
Sudbury	1,151	1,108	214	103	2,577
Thunder Bay	13,445	16,161	782	275	30,663
Timiskaming	3,048	2,117	579	134	5,878
<i>Total</i>	46,865	45,435	5,377	3,516	101,193
PROVINCIAL TOTAL	1,042,853	761,065	79,282	83,382	1,966,581

Revenue Fund—Revenues

Table 2
(Cont.)

	Provincial Assistance			Other Revenue Canada P-I-L and Mun. P-I-L \$000
	Ontario Unconditional Grants \$000	Conditional Grants \$000	Ontario P-I-L Total \$000	
<i>Regions</i>				
Metropolitan Toronto	105,320	232,713	38,257	24,178
Durham	14,451	24,498	1,407	749
Haldimand-Norfolk	4,120	8,248	541	205
Halton	10,187	14,763	902	605
Hamilton-Wentworth	23,088	44,256	4,671	1,490
Niagara	22,515	31,525	2,723	2,182
Ottawa-Carleton	31,040	68,724	4,843	39,274
Peel	17,278	25,538	2,391	4,499
Sudbury	21,884	19,808	1,048	353
Waterloo	16,208	24,849	2,473	908
York	9,574	16,969	396	287
Muskoka	1,507	6,288	118	51
Oxford	4,156	6,781	218	171
<i>Total</i>	281,327	524,960	59,985	74,952
<i>Counties</i>				
Brant	5,588	10,808	333	444
Bruce	3,978	7,910	350	48
Dufferin	958	3,535	180	15
Elgin	3,505	7,235	336	88
Essex	15,706	25,663	2,003	1,673
Frontenac	5,306	13,858	1,048	1,650
Grey	3,657	10,009	296	212
Haliburton	623	2,598	120	8
Hastings	6,162	13,321	597	492
Huron	3,557	7,676	206	65
Kent	7,479	9,001	324	280
Lambton	5,061	14,067	656	278
Lanark	2,893	6,445	200	114
Leeds and Grenville	3,930	7,856	301	336
Lennox and Addington	1,301	4,505	209	252
Middlesex	16,900	26,723	2,687	1,662
Northumberland	2,606	8,174	243	660
Perth	3,919	5,279	225	148
Peterborough	4,039	9,550	516	460
Prescott and Russell	3,260	6,241	126	49
Prince Edward	1,065	2,195	76	39
Renfrew	4,875	10,821	457	1,163
Simcoe	8,524	14,726	804	524
Stormont, Dundas and Glengarry	7,311	11,724	751	1,058
Victoria	2,288	5,140	229	50
Wellington	4,851	12,578	838	281
<i>Total</i>	129,345	257,638	14,110	12,050
<i>Districts</i>				
Algoma	15,722	12,155	493	700
Cochrane	11,589	11,009	677	188
Kenora	4,739	6,401	251	242
Manitoulin	747	1,432	25	12
Nipissing	8,794	9,394	537	553
Parry Sound	2,641	4,551	62	18
Rainy River	3,132	2,921	129	32
Sudbury	1,765	1,305	55	12
Thunder Bay	21,648	17,472	1,294	1,119
Timiskaming	5,860	4,858	504	58
<i>Total</i>	76,637	71,498	4,026	2,934
PROVINCIAL TOTAL	487,310	854,096	78,122	89,936

Revenue Fund—Revenues

Table 2
(Concluded)

		Other Revenue (Cont.)			
		Fees and Service Charges			
		Transit	Water	Homes For Aged	Misc. Revenues
		\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	185,530	77,025	23,967	184,400	1,568,223
Durham	1,529	6,165	3,401	19,633	132,565
Haldimand-Norfolk	0	1,629	1,731	4,575	36,542
Halton	1,454	5,612	1,516	10,530	96,273
Hamilton-Wentworth	0	13,411	7	29,743	234,605
Niagara	2,963	11,477	3,869	14,431	173,281
Ottawa-Carleton	24,715	13,899	3,585	39,978	361,730
Peel	5,124	14,690	2,467	26,635	191,522
Sudbury	1,598	3,054	1,219	10,820	95,350
Waterloo	3,825	6,741	1,477	35,203	160,273
York	647	6,491	961	16,223	94,020
Muskoka	0	674	412	2,057	18,584
Oxford	101	2,083	1,401	3,887	36,233
<i>Total</i>	227,485	162,950	46,016	398,114	3,199,197
<i>Counties</i>					
Brant	768	3,006	1,706	6,261	49,301
Bruce	0	877	1,102	3,738	27,319
Dufferin	0	251	718	1,525	11,475
Elgin	168	1,294	1,941	2,999	27,996
Essex	3,458	8,716	1,177	24,320	152,794
Frontenac	1,129	2,540	1,367	6,206	51,713
Grey	0	1,347	1,054	3,832	32,265
Haliburton	0	44	304	522	6,452
Hastings	438	2,649	1,322	7,416	49,060
Huron	0	1,002	1,391	4,312	26,793
Kent	204	3,269	1,440	5,731	49,349
Lambton	598	4,197	1,790	8,269	62,493
Lanark	0	905	1,295	2,502	20,368
Leeds and Grenville	0	1,500	1,252	2,998	29,203
Lennox and Addington	0	410	686	1,621	13,025
Middlesex	6,326	7,848	2,689	13,682	138,467
Northumberland	38	1,407	710	3,952	26,202
Perth	0	1,027	784	4,476	27,565
Peterborough	793	2,043	1,159	4,897	42,992
Prescott and Russell	0	779	624	2,859	21,025
Prince Edward	0	241	348	586	6,710
Renfrew	39	1,684	2,072	3,475	35,117
Simcoe	503	3,798	1,866	11,000	77,094
Stormont, Dundas and Glengarry	480	2,694	836	6,167	47,451
Victoria	67	574	732	2,231	17,471
Wellington	1,389	2,266	756	5,712	50,460
<i>Total</i>	16,397	56,368	31,119	141,288	1,100,160
<i>Districts</i>					
Algoma	936	2,505	1,288	5,636	61,439
Cochrane	588	2,051	1,221	4,636	45,176
Kenora	0	1,223	818	3,580	24,106
Manitoulin	0	86	284	563	4,008
Nipissing	644	1,403	1,439	3,699	38,410
Parry Sound	1	364	725	1,495	13,236
Rainy River	20	456	615	2,125	13,248
Sudbury	0	249	0	1,007	6,970
Thunder Bay	1,752	3,836	2,894	8,150	88,828
Timiskaming	0	750	281	2,140	20,329
<i>Total</i>	3,942	12,920	9,564	33,031	315,745
PROVINCIAL TOTAL	247,824	232,238	86,699	572,433	4,615,102

Revenue Fund—Expenditures

Table 3

	General Government	Protection to Persons and Property		
		Fire	Police	Other
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	131,818	87,389	185,931	30,730
Durham	15,165	8,401	12,700	3,910
Haldimand-Norfolk	3,956	1,226	2,772	1,412
Halton	8,664	5,205	10,019	3,919
Hamilton-Wentworth	21,629	13,121	25,689	5,300
Niagara	16,478	9,758	19,201	2,799
Ottawa-Carleton	40,176	21,626	29,742	5,732
Peel	17,455	13,204	21,876	6,219
Sudbury	14,813	3,915	7,721	2,374
Waterloo	31,420	11,512	15,206	4,970
York	9,464	3,992	9,864	3,881
Muskoka	2,021	448	0	226
Oxford	3,484	1,923	2,609	743
<i>Total</i>	316,544	181,720	343,333	72,215
<i>Counties</i>				
Brant	3,277	3,379	4,343	1,532
Bruce	3,320	643	1,026	769
Dufferin	1,237	258	743	258
Elgin	2,531	1,567	1,572	806
Essex	16,693	9,404	16,795	2,587
Frontenac	4,356	3,577	3,575	1,128
Grey	2,828	1,477	1,528	1,196
Haliburton	901	142	0	105
Hastings	3,573	2,636	3,266	1,213
Huron	2,582	536	989	802
Kent	5,921	2,714	3,392	1,904
Lambton	5,801	3,361	4,075	3,040
Lanark	1,898	753	1,004	246
Leeds and Grenville	3,078	1,485	1,856	617
Lennox and Addington	1,529	392	266	523
Middlesex	12,133	10,063	12,605	3,339
Northumberland	2,420	789	1,243	920
Perth	2,785	1,758	2,009	749
Peterborough	5,358	2,808	3,310	1,042
Prescott and Russell	3,023	603	456	428
Prince Edward	836	310	258	304
Renfrew	3,707	1,572	1,637	230
Simcoe	9,100	4,003	5,636	1,853
Stormont, Dundas and Glengarry	4,694	2,143	2,582	1,688
Victoria	1,971	512	724	291
Wellington	4,483	3,456	4,133	1,997
<i>Total</i>	110,035	60,333	79,025	29,567
<i>Districts</i>				
Algoma	5,952	3,805	5,196	1,635
Cochrane	4,321	2,612	2,850	1,094
Kenora	2,374	940	1,356	174
Manitoulin	545	80	1	35
Nipissing	3,104	2,574	3,731	1,183
Parry Sound	1,521	530	234	140
Rainy River	1,540	458	1,180	42
Sudbury	1,360	230	299	52
Thunder Bay	7,697	5,564	6,823	1,479
Timiskaming	2,406	943	829	132
<i>Total</i>	30,820	17,736	22,499	5,966
PROVINCIAL TOTAL	457,399	259,789	444,857	107,748

Revenue Fund—Expenditures

Table 3
(Cont.)

	Transportation Services		
	Roads	Transit	Other
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	123,582	262,029	22,132
Durham	21,137	3,477	3,236
Haldimand-Norfolk	9,577	0	363
Halton	15,677	3,452	1,446
Hamilton-Wentworth	34,588	11,367	4,619
Niagara	29,159	5,458	3,098
Ottawa-Carleton	49,552	46,577	4,594
Peel	25,732	11,075	2,687
Sudbury	14,616	3,742	2,169
Waterloo	18,241	8,135	3,190
York	17,970	2,187	1,452
Muskoka	6,356	0	140
Oxford	8,169	402	1,175
<i>Total</i>	<u>374,357</u>	<u>357,901</u>	<u>50,301</u>
<i>Counties</i>			
Brant	9,147	1,668	615
Bruce	9,529	0	483
Dufferin	3,588	0	217
Elgin	7,987	374	487
Essex	21,808	6,327	3,871
Frontenac	8,100	2,550	1,116
Grey	9,866	141	430
Haliburton	2,783	0	53
Hastings	13,079	754	819
Huron	8,523	0	505
Kent	9,480	634	1,169
Lambton	11,392	1,589	1,187
Lanark	5,917	0	305
Leeds and Grenville	7,788	0	405
Lennox and Addington	3,795	0	461
Middlesex	19,276	9,624	1,560
Northumberland	7,323	103	348
Perth	6,745	388	498
Peterborough	8,428	1,671	1,035
Prescott and Russell	5,350	0	214
Prince Edward	1,989	0	70
Renfrew	8,235	71	711
Simcoe	17,693	1,113	1,613
Stormont, Dundas and Glengarry	11,000	1,068	550
Victoria	5,667	250	251
Wellington	10,270	1,693	1,420
<i>Total</i>	<u>234,757</u>	<u>30,019</u>	<u>20,393</u>
<i>Districts</i>			
Algoma	9,368	2,470	1,599
Cochrane	8,263	1,492	1,071
Kenora	3,857	2	1,126
Manitoulin	1,049	0	88
Nipissing	6,999	1,436	692
Parry Sound	3,862	4	420
Rainy River	2,432	82	421
Sudbury	1,691	0	88
Thunder Bay	12,277	5,228	2,221
Timiskaming	5,463	140	377
<i>Total</i>	<u>55,262</u>	<u>10,855</u>	<u>8,102</u>
PROVINCIAL TOTAL	664,376	398,774	78,796

Revenue Fund—Expenditures

Table 3
(Cont.)

	Environment Services			
	Sewers	Water	Solid Waste	Health Services
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	85,589	71,251	55,209	48,701
Durham	9,340	8,448	4,027	2,558
Haldimand-Norfolk	2,331	1,687	889	1,602
Halton	8,751	6,084	2,715	4,072
Hamilton-Wentworth	17,720	14,622	10,258	6,881
Niagara	16,046	12,061	5,446	4,413
Ottawa-Carleton	21,776	18,435	5,702	11,869
Peel	18,039	16,578	6,884	4,258
Sudbury	8,957	5,777	1,864	3,623
Waterloo	11,368	7,236	3,282	4,374
York	4,190	4,591	8,325	3,656
Muskoka	1,050	895	570	1,554
Oxford	2,369	2,187	964	1,426
<i>Total</i>	207,525	169,852	106,135	98,987
<i>Counties</i>				
Brant	2,957	2,907	840	1,310
Bruce	1,129	1,501	727	854
Dufferin	513	344	230	139
Elgin	1,453	1,594	707	834
Essex	13,356	10,176	4,894	3,059
Frontenac	2,162	2,874	1,793	2,793
Grey	1,683	1,688	875	1,293
Haliburton	174	134	113	239
Hastings	3,231	3,553	907	2,263
Huron	1,116	1,232	425	1,171
Kent	3,404	3,872	1,140	1,837
Lambton	4,193	4,670	1,277	1,684
Lanark	992	1,344	428	225
Leeds and Grenville	1,601	1,754	734	1,564
Lennox and Addington	476	639	254	400
Middlesex	13,009	8,873	4,985	4,013
Northumberland	1,331	1,930	752	2,646
Perth	1,470	1,142	667	1,224
Peterborough	2,212	2,895	843	1,891
Prescott and Russell	634	863	436	229
Prince Edward	355	357	209	211
Renfrew	1,469	1,887	817	1,626
Simcoe	6,011	4,479	2,427	3,065
Stormont, Dundas and Glengarry	3,006	2,928	1,037	1,858
Victoria	656	725	601	766
Wellington	2,581	2,314	1,020	1,805
<i>Total</i>	71,176	66,676	29,137	38,999
<i>Districts</i>				
Algoma	3,693	2,762	1,513	2,107
Cochrane	2,463	2,475	1,176	1,799
Kenora	1,563	1,757	702	1,471
Manitoulin	59	133	54	46
Nipissing	3,149	2,293	593	1,797
Parry Sound	635	445	339	588
Rainy River	714	654	225	478
Sudbury	411	363	265	233
Thunder Bay	4,665	4,244	2,278	2,316
Timiskaming	1,598	1,216	469	896
<i>Total</i>	18,951	16,342	7,615	11,731
PROVINCIAL TOTAL	297,652	252,870	142,887	149,717

Revenue Fund—Expenditures

Table 3
(Cont.)

	Social and Family Services			Recreation and Cultural Services
	General Assistance	Assistance to Aged	Assistance to Children	Parks and Rec.
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	90,518	65,616	65,317	114,394
Durham	10,172	8,633	3,607	12,387
Haldimand-Norfolk	1,207	3,917	995	2,544
Halton	2,385	4,343	2,825	10,628
Hamilton-Wentworth	22,233	6,574	3,602	13,262
Niagara	10,379	11,420	5,043	11,290
Ottawa-Carleton	23,825	11,684	19,309	28,226
Peel	4,979	6,619	6,833	17,199
Sudbury	8,008	2,705	2,957	7,495
Waterloo	9,099	3,540	4,745	11,910
York	2,149	2,467	3,887	8,756
Muskoka	882	1,228	723	1,345
Oxford	1,492	2,345	1,014	2,844
<i>Total</i>	187,327	131,093	120,857	242,280
<i>Counties</i>				
Brant	2,580	4,127	2,353	5,273
Bruce	581	2,275	699	2,408
Dufferin	272	1,816	418	829
Elgin	730	3,686	573	1,346
Essex	9,266	6,284	6,724	10,508
Frontenac	3,655	4,249	1,535	4,105
Grey	1,679	2,189	1,040	2,407
Haliburton	185	823	97	438
Hastings	3,383	2,847	1,362	3,259
Huron	383	2,900	850	2,014
Kent	1,254	3,159	1,716	3,333
Lambton	2,360	5,728	1,844	4,529
Lanark	1,176	2,781	898	1,286
Leeds and Grenville	1,211	2,678	817	1,928
Lennox and Addington	508	1,403	351	910
Middlesex	7,830	7,373	5,253	7,372
Northumberland	1,387	1,319	729	1,850
Perth	837	1,271	1,044	2,197
Peterborough	3,019	2,189	1,160	3,167
Prescott and Russell	2,965	1,309	1,136	2,369
Prince Edward	179	729	290	310
Renfrew	1,529	5,393	1,160	2,892
Simcoe	3,222	3,298	2,133	6,204
Stormont, Dundas and Glengarry	2,318	2,004	1,834	3,610
Victoria	532	1,667	386	1,515
Wellington	4,036	1,735	1,705	4,465
<i>Total</i>	57,077	75,233	38,107	80,523
<i>Districts</i>				
Algoma	3,377	4,481	2,331	5,193
Cochrane	2,342	4,041	2,676	4,327
Kenora	606	2,356	2,733	1,749
Manitoulin	82	947	132	431
Nipissing	1,942	3,538	1,076	3,242
Parry Sound	619	1,925	547	1,077
Rainy River	282	1,909	616	1,259
Sudbury	171	76	318	1,093
Thunder Bay	5,219	9,240	3,816	9,564
Timiskaming	1,140	869	779	1,770
<i>Total</i>	15,781	29,382	15,023	29,705
PROVINCIAL TOTAL	260,184	235,709	178,988	352,508

Revenue Fund—Expenditures

Table 3
(Concluded)

	Recreation and Cultural Services (Cont.)		Total Expenditure \$000	In Year Surplus (Deficit) \$000
	Libraries \$000	Planning \$000		
<i>Regions</i>				
Metropolitan Toronto	73,721	26,021	1,539,949	28,274
Durham	3,407	4,228	134,833	(2,268)
Haldimand-Norfolk	582	1,395	36,454	88
Halton	3,947	2,037	96,168	105
Hamilton-Wentworth	10,324	7,884	234,672	(67)
Niagara	5,314	4,702	172,069	1,212
Ottawa-Carleton	8,299	13,997	361,122	608
Peel	6,408	4,266	190,310	1,212
Sudbury	1,667	2,714	95,117	233
Waterloo	5,305	3,505	157,040	3,233
York	3,044	2,371	92,246	1,774
Muskoka	273	589	18,301	283
Oxford	853	1,651	35,652	581
<i>Total</i>	123,146	75,360	3,163,935	35,262
<i>Counties</i>				
Brant	997	1,096	48,401	900
Bruce	502	915	27,351	(32)
Dufferin	150	413	11,426	49
Elgin	848	1,301	28,396	(400)
Essex	5,264	4,969	151,987	807
Frontenac	1,397	1,769	50,734	979
Grey	991	1,076	32,387	(122)
Haliburton	163	120	6,470	(18)
Hastings	983	1,560	48,688	372
Huron	593	1,769	26,387	406
Kent	1,188	2,650	48,770	579
Lambton	1,991	4,227	62,949	(456)
Lanark	318	763	20,336	32
Leeds and Grenville	631	680	28,828	375
Lennox and Addington	248	657	12,811	214
Middlesex	5,917	3,760	136,988	1,479
Northumberland	279	728	26,098	104
Perth	747	2,303	27,835	(270)
Peterborough	863	880	42,771	221
Prescott and Russell	335	853	21,204	(179)
Prince Edward	246	264	6,917	(207)
Renfrew	537	982	34,454	663
Simcoe	2,031	2,816	76,697	397
Stormont, Dundas and Glengarry	1,019	3,110	46,446	1,005
Victoria	373	611	17,500	(29)
Wellington	1,673	1,554	50,340	120
<i>Total</i>	30,286	41,826	1,093,169	6,991
<i>Districts</i>				
Algoma	1,383	2,380	59,247	2,195
Cochrane	820	1,126	44,946	230
Kenora	563	1,153	24,485	(379)
Manitoulin	139	202	4,022	(14)
Nipissing	741	818	38,909	(499)
Parry Sound	151	273	13,311	(75)
Rainy River	417	525	13,235	13
Sudbury	198	189	7,036	(66)
Thunder Bay	2,986	3,330	88,947	(118)
Timiskaming	423	947	20,397	(68)
<i>Total</i>	7,822	10,942	314,533	1,212
PROVINCIAL TOTAL	161,254	128,128	4,571,636	43,466

Capital Fund—Financing

Table 4

	Own Funds		
	Revenue Fund	Reserves and Reserve Funds	Own Purpose Borrowing
	\$000	\$000	\$000
<i>Regions</i>			
Metropolitan Toronto	54,714	21,068	140,050
Durham	8,505	10,768	18,920
Haldimand-Norfolk	3,340	1,094	1,510
Halton	5,954	10,529	9,276
Hamilton-Wentworth	18,800	22,675	4,806
Niagara	8,082	5,386	14,518
Ottawa-Carleton	4,378	30,627	7,003
Peel	6,500	22,881	21,833
Sudbury	3,761	2,716	0
Waterloo	5,492	20,940	252
York	7,259	8,870	5,552
Muskoka	1,160	425	0
Oxford	3,583	223	4,558
<i>Total</i>	131,527	158,201	228,277
<i>Counties</i>			
Brant	3,112	2,154	754
Bruce	2,360	715	2,248
Dufferin	604	92	236
Elgin	1,652	385	1,908
Essex	4,418	4,419	11,971
Frontenac	2,993	785	2,724
Grey	2,853	242	1,756
Haliburton	569	110	400
Hastings	5,116	941	136
Huron	2,326	435	2,280
Kent	4,658	338	7,372
Lambton	4,583	1,287	5,672
Lanark	1,875	320	145
Leeds and Grenville	1,811	415	4,246
Lennox and Addington	852	88	315
Middlesex	6,348	4,313	3,304
Northumberland	1,658	350	854
Perth	4,260	438	1,311
Peterborough	1,935	550	2,959
Prescott and Russell	1,920	339	840
Prince Edward	554	73	92
Renfrew	1,763	418	1,649
Simcoe	8,155	3,381	5,723
Stormont, Dundas and Glengarry	3,216	889	11,641
Victoria	1,354	765	272
Wellington	2,593	3,506	1,406
<i>Total</i>	73,538	27,748	72,212
<i>Districts</i>			
Algoma	4,448	294	506
Cochrane	1,770	975	5,419
Kenora	3,385	403	714
Manitoulin	150	87	(472)
Nipissing	1,344	379	2,529
Parry Sound	975	203	0
Rainy River	1,177	69	17
Sudbury	646	174	24
Thunder Bay	8,672	5,723	4,397
Timiskaming	2,151	613	596
<i>Total</i>	24,719	8,920	13,730
PROVINCIAL TOTAL	229,784	194,869	314,219

Capital Fund—Financing

Table 4
(Concluded)

	Ontario Assistance \$000	Other Sources \$000	Total \$000
<i>Regions</i>			
Metropolitan Toronto	69,406	48,649	333,888
Durham	10,450	7,402	56,045
Haldimand-Norfolk	3,428	529	9,901
Halton	9,473	1,947	37,179
Hamilton-Wentworth	16,720	2,203	65,204
Niagara	12,877	3,397	44,259
Ottawa-Carleton	21,600	5,301	68,908
Peel	14,333	8,499	74,046
Sudbury	6,552	344	13,373
Waterloo	8,954	1,465	37,103
York	9,134	9,177	39,992
Muskoka	3,431	905	5,921
Oxford	2,956	1,598	12,917
<i>Total</i>	189,314	91,415	798,735
<i>Counties</i>			
Brant	3,302	718	10,040
Bruce	2,582	1,237	9,140
Dufferin	1,077	369	2,378
Elgin	1,535	1,072	6,551
Essex	9,464	4,866	35,139
Frontenac	3,037	561	10,099
Grey	3,340	798	8,989
Haliburton	1,230	236	2,545
Hastings	2,925	1,832	10,949
Huron	2,900	1,626	9,566
Kent	5,167	1,426	18,962
Lambton	10,030	4,134	25,705
Lanark	1,469	730	4,539
Leeds and Grenville	4,709	1,153	12,334
Lennox and Addington	1,784	141	3,180
Middlesex	8,141	3,819	25,925
Northumberland	3,095	795	6,753
Perth	2,633	841	9,483
Peterborough	2,678	806	8,928
Prescott and Russell	4,400	295	7,794
Prince Edward	441	12	1,171
Renfrew	4,491	749	9,070
Simcoe	4,628	1,562	23,449
Stormont, Dundas and Glengarry	8,474	12,014	36,233
Victoria	2,483	208	5,082
Wellington	5,123	1,958	14,580
<i>Total</i>	101,137	43,957	318,593
<i>Districts</i>			
Algoma	5,749	5,231	16,227
Cochrane	9,595	1,454	19,214
Kenora	4,926	640	10,069
Manitoulin	748	92	606
Nipissing	2,176	353	6,781
Parry Sound	1,367	344	2,890
Rainy River	851	521	2,634
Sudbury	655	(200)	1,299
Thunder Bay	8,064	3,709	30,564
Timiskaming	2,906	118	6,383
<i>Total</i>	37,036	12,262	96,667
PROVINCIAL TOTAL	327,488	147,634	1,213,994

Capital Fund—Applications

Table 5

	General Government	Protection	Transportation Services		
			Roads	Transit	Other
	\$000	\$000	\$000	\$000	\$000
<i>Regions</i>					
Metropolitan Toronto	16,491	11,345	47,811	50,620	1,544
Durham	1,456	1,272	17,152	461	1,549
Haldimand-Norfolk	750	737	5,343	0	61
Halton	722	927	12,451	361	539
Hamilton-Wentworth	763	833	12,598	3	339
Niagara	1,033	1,060	13,214	2,162	170
Ottawa-Carleton	2,194	2,973	29,904	5,317	547
Peel	7,358	4,552	26,935	1,745	436
Sudbury	983	386	6,820	179	8
Waterloo	2,057	651	13,939	440	200
York	3,641	868	14,284	698	95
Muskoka	142	226	3,267	0	9
Oxford	965	480	3,974	1	222
<i>Total</i>	<u>38,555</u>	<u>26,310</u>	<u>207,691</u>	<u>61,987</u>	<u>5,718</u>
<i>Counties</i>					
Brant	212	274	4,219	165	61
Bruce	1,132	129	3,565	0	81
Dufferin	279	10	1,370	0	0
Elgin	882	298	2,314	11	145
Essex	4,297	959	12,452	2,845	2,624
Frontenac	206	983	2,830	357	358
Grey	365	508	4,281	2	17
Haliburton	47	16	1,520	0	1
Hastings	2,240	207	5,015	0	385
Huron	2,379	255	3,808	0	105
Kent	2,367	1,133	7,109	0	342
Lambton	3,768	559	5,707	101	299
Lanark	233	212	1,715	0	92
Leeds and Grenville	1,110	255	5,017	0	230
Lennox and Addington	337	62	1,651	0	9
Middlesex	2,489	875	9,676	575	157
Northumberland	483	118	3,114	0	31
Perth	1,565	458	4,163	210	191
Peterborough	221	835	3,957	259	68
Prescott and Russell	671	265	4,523	0	3
Prince Edward	112	86	828	0	0
Renfrew	446	187	3,901	0	105
Simcoe	1,440	950	9,275	35	396
Stormont, Dundas and Glengarry	1,705	105	4,445	25	31
Victoria	308	62	3,100	79	46
Wellington	1,002	240	5,687	3	498
<i>Total</i>	<u>30,298</u>	<u>10,043</u>	<u>115,241</u>	<u>4,667</u>	<u>6,275</u>
<i>Districts</i>					
Algoma	269	321	5,490	218	1,816
Cochrane	193	294	2,506	61	419
Kenora	276	315	2,204	0	982
Manitoulin	12	57	323	0	99
Nipissing	200	320	2,269	102	35
Parry Sound	144	237	1,249	0	315
Rainy River	502	25	847	9	149
Sudbury	135	50	545	0	3
Thunder Bay	2,705	585	6,290	1,205	3,972
Timiskaming	902	80	3,777	3	90
<i>Total</i>	<u>5,339</u>	<u>2,284</u>	<u>25,500</u>	<u>1,600</u>	<u>7,880</u>
PROVINCIAL TOTAL	74,192	38,636	348,431	68,253	19,873

Capital Fund—Applications

Table 5
(Cont.)

	Environmental Services			
	Sewers	Water	Solid Waste	Health
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	60,761	25,433	5,943	2,444
Durham	13,408	9,149	527	45
Haldimand-Norfolk	874	1,851	113	374
Halton	4,339	6,392	522	196
Hamilton-Wentworth	10,372	5,736	2,191	27
Niagara	15,255	7,265	251	155
Ottawa-Carleton	13,137	2,392	897	248
Peel	13,474	7,616	2,447	10
Sudbury	1,634	2,073	150	75
Waterloo	9,649	5,267	429	17
York	9,702	2,275	5	34
Muskoka	94	558	86	6
Oxford	1,616	671	0	250
<i>Total</i>	154,314	76,678	13,562	3,881
<i>Counties</i>				
Brant	5,627	1,176	0	8
Bruce	559	793	131	6
Dufferin	590	134	28	0
Elgin	1,273	466	3	0
Essex	11,273	3,271	39	34
Frontenac	6,815	320	0	313
Grey	1,348	238	141	20
Haliburton	77	456	4	2
Hastings	334	1,171	17	Ngl
Huron	542	390	0	156
Kent	3,719	769	61	30
Lambton	10,691	738	125	16
Lanark	443	428	0	5
Leeds and Grenville	2,680	1,597	4	28
Lennox and Addington	1,312	37	13	1
Middlesex	6,486	1,583	276	19
Northumberland	760	583	2	2
Perth	85	298	0	48
Peterborough	657	746	62	395
Prescott and Russell	205	216	17	0
Prince Edward	123	40	0	0
Renfrew	226	694	13	21
Simcoe	1,762	2,512	148	600
Stormont, Dundas and Glengarry	455	354	192	10
Victoria	514	19	262	100
Wellington	6,715	536	7	722
<i>Total</i>	65,274	19,565	1,548	2,538
<i>Districts</i>				
Algoma	294	879	60	36
Cochrane	6,865	2,599	36	191
Kenora	2,229	217	97	227
Manitoulin	0	8	0	19
Nipissing	1,465	493	0	54
Parry Sound	0	55	23	47
Rainy River	203	76	4	20
Sudbury	154	246	0	13
Thunder Bay	3,533	2,052	223	61
Timiskaming	666	69	0	29
<i>Total</i>	15,409	6,694	442	697
PROVINCIAL TOTAL	234,997	102,937	15,552	7,116

Capital Fund—Applications

Table 5
(Cont.)

	Social And Family Services	Recreation	Planning	Total
	\$000	\$000	\$000	\$000
<i>Regions</i>				
Metropolitan Toronto	49,479	24,935	10,389	307,195
Durham	191	3,512	1,642	50,364
Haldimand-Norfolk	92	1,119	402	11,716
Halton	137	3,027	71	29,684
Hamilton-Wentworth	49	9,414	7,563	49,888
Niagara	248	2,708	1,139	44,660
Ottawa-Carleton	261	14,338	8,007	80,215
Peel	405	8,696	16	73,690
Sudbury	20	4,037	985	17,350
Waterloo	7	8,058	1,227	41,941
York	50	4,659	704	37,015
Muskoka	35	1,461	279	6,163
Oxford	25	347	4,044	12,595
<i>Total</i>	50,999	86,311	36,467	762,473
<i>Counties</i>				
Brant	8	595	748	13,093
Bruce	6	730	120	7,252
Dufferin	118	262	239	3,030
Elgin	11	270	936	6,609
Essex	39	3,273	7,928	49,034
Frontenac	9	875	1,811	14,877
Grey	42	948	335	8,245
Haliburton	4	374	24	2,525
Hastings	3	756	673	10,801
Huron	53	588	963	9,239
Kent	20	1,089	1,755	18,394
Lambton	64	1,430	3,088	26,586
Lanark	1	561	392	4,082
Leeds and Grenville	7	761	669	12,358
Lennox and Addington	5	161	166	3,754
Middlesex	140	1,297	6,818	30,391
Northumberland	0	1,315	463	6,871
Perth	194	797	1,904	9,913
Peterborough	3	1,985	780	9,968
Prescott and Russell	19	1,257	771	7,947
Prince Edward	14	38	0	1,241
Renfrew	13	1,452	1,052	8,110
Simcoe	2	1,949	1,848	20,917
Stormont, Dundas and Glengarry	50	1,259	21,915	30,546
Victoria	315	444	442	5,691
Wellington	1	725	582	16,718
<i>Total</i>	1,143	25,192	56,421	338,205
<i>Districts</i>				
Algoma	76	2,874	3,133	15,466
Cochrane	25	3,567	792	17,548
Kenora	29	2,898	888	10,362
Manitoulin	0	184	62	764
Nipissing	20	355	913	6,226
Parry Sound	64	361	240	2,735
Rainy River	92	390	351	2,668
Sudbury	55	287	84	1,572
Thunder Bay	792	6,056	6,623	34,097
Timiskaming	89	514	229	6,448
<i>Total</i>	1,242	17,485	13,315	97,887
PROVINCIAL TOTAL	53,384	128,988	106,204	1,198,563

Capital Fund—Applications

Table 5
(Concluded)

	In Year Balance	Accumulated Balance
	\$000	\$000
<i>Regions</i>		
Metropolitan Toronto	(26,693)	17,166
Durham	(5,681)	5,677
Haldimand-Norfolk	1,815	2,338
Halton	(7,495)	6,893
Hamilton-Wentworth	(15,316)	(29,513)
Niagara	401	8,706
Ottawa-Carleton	11,307	46,183
Peel	(356)	(15,042)
Sudbury	3,977	12,415
Waterloo	4,838	3,855
York	(2,977)	4,356
Muskoka	242	1,354
Oxford	(322)	4,919
<i>Total</i>	(36,262)	69,307
<i>Counties</i>		
Brant	3,053	6,853
Bruce	(1,888)	1,160
Dufferin	652	971
Elgin	58	1,345
Essex	13,895	16,703
Frontenac	4,778	8,545
Grey	(744)	2,558
Haliburton	(20)	161
Hastings	(148)	1,645
Huron	(327)	1,235
Kent	(568)	5,690
Lambton	881	5,192
Lanark	(457)	387
Leeds and Grenville	24	2,828
Lennox and Addington	574	1,262
Middlesex	4,446	(1,064)
Northumberland	118	1,781
Perth	430	1,397
Peterborough	1,040	3,598
Prescott and Russell	153	2,070
Prince Edward	70	70
Renfrew	(960)	1,230
Simcoe	(2,532)	2,926
Stormont, Dundas and Glengarry	(5,687)	6,588
Victoria	609	797
Wellington	2,132	5,330
<i>Total</i>	19,612	81,256
<i>Districts</i>		
Algoma	(761)	3,468
Cochrane	(1,666)	550
Kenora	293	787
Manitoulin	158	308
Nipissing	(555)	3,794
Parry Sound	(155)	165
Rainy River	34	347
Sudbury	273	1,151
Thunder Bay	3,553	8,229
Timiskaming	65	453
<i>Total</i>	1,220	19,252
PROVINCIAL TOTAL	(15,431)	169,815

Municipal Debt

Table 6

	Long Term Debt Outstanding	Debt Charges	Total Revenue Fund Expenditures
	\$000	\$000	% Municipal
<i>Regions</i>			
Metropolitan Toronto	1,085,551	174,957	11.7
Durham	104,952	10,494	8.0
Haldimand-Norfolk	16,496	2,176	6.2
Halton	88,335	9,663	10.3
Hamilton-Wentworth	157,864	23,292	10.2
Niagara	132,009	17,180	10.2
Ottawa-Carleton	286,510	42,985	12.3
Peel	151,377	18,557	10.0
Sudbury	71,756	11,297	12.4
Waterloo	48,650	10,449	6.9
York	45,915	6,120	6.9
Muskoka	5,397	858	5.0
Oxford	23,882	3,340	9.6
<i>Total</i>	<u>2,218,695</u>	<u>331,370</u>	<u>10.8</u>
<i>Counties</i>			
Brant	14,159	2,321	5.0
Bruce	14,068	1,566	5.9
Dufferin	3,332	757	6.8
Elgin	13,881	2,465	9.0
Essex	123,370	17,457	11.8
Frontenac	30,825	3,708	7.7
Grey	9,890	1,800	5.8
Haliburton	976	169	2.7
Hastings	21,386	3,721	8.0
Huron	14,875	2,148	8.4
Kent	34,255	5,321	11.4
Lambton	42,942	7,690	13.0
Lanark	3,943	1,255	6.4
Leeds and Grenville	15,338	2,226	8.0
Lennox and Addington	5,973	1,075	9.0
Middlesex	79,294	14,455	11.0
Northumberland	8,887	1,249	5.0
Perth	13,986	2,423	9.0
Peterborough	26,684	3,834	9.4
Prescott and Russell	9,821	1,445	7.1
Prince Edward	1,962	286	4.5
Renfrew	14,655	1,684	5.0
Simcoe	38,990	4,773	6.4
Stormont, Dundas and Glengarry	38,976	4,997	11.3
Victoria	4,045	651	3.9
Wellington	25,690	3,816	7.9
<i>Total</i>	<u>612,204</u>	<u>93,293</u>	<u>8.9</u>
<i>Districts</i>			
Algoma	31,253	5,873	10.3
Cochrane	20,388	3,052	7.2
Kenora	5,637	907	4.1
Manitoulin	533	98	2.5
Nipissing	27,151	3,299	9.0
Parry Sound	2,642	408	3.3
Rainy River	3,113	568	4.5
Sudbury	2,035	249	3.7
Thunder Bay	46,689	5,382	6.3
Timiskaming	5,109	796	4.0
<i>Total</i>	<u>144,550</u>	<u>20,632</u>	<u>6.9</u>
PROVINCIAL TOTAL	2,975,449	445,295	10.1

Appendix B

Detailed Municipal Financial Data by Province

- Table 1: Demographics
- Table 2: Revenue Fund—Revenues
- Table 3: Revenue Fund—Expenditures
- Table 4: Capital Fund—Expenditures
- Table 5: Total Expenditures
- Table 6: Municipal—Long Term Debt
- Table 7: School Boards

Demographics

Table 1

Province	No. Of Municipalities	Population			Households		
		1979	1977	1978	1979	1977	1978
		000	000	000	000	000	000
Ontario	836	8,274	8,319	8,384	3,052	3,133	3,199
New Brunswick	115	677	677	677	210	211	213
Quebec	1,572	6,306	6,384	n/a	2,196	2,222	2,263
Manitoba	202	981	981	981	369	369	371
Alberta	330	1,868	1,929	2,011	564	573	622
British Columbia	141	2,494	2,530	2,570	860	873	866

Demographics

Table 1 (Continued)

Province	Urban Population			Rural Population			Density-Population/ Square Mile		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	000	000	000	000	000	000			
Ontario	6,556	6,581	6,638	1,718	1,738	1,746	24.0	24.1	24.4
New Brunswick	435	435	435	242	242	242	2.4	2.4	2.4
Quebec	n/a	n/a	n/a	n/a	n/a	n/a	12.0	12.2	n/a
Manitoba	757	758	758	224	223	223	4.6	4.6	4.6
Alberta	1,461	1,521	1,593	407	408	418	7.5	7.8	8.1
British Columbia	2,141	2,192	2,246	353	338	324	6.9	7.0	7.2

Demographics

Table 1 (Concluded)

Province	Taxable Assessment			Average Household Income			Gross Provincial Product		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$000	\$000	\$000	\$	\$	\$	\$M	\$M	\$M
Ontario	31,326	32,596	33,681	18,049*	19,693	21,089	82,047	88,900	99,600
New Brunswick	6,348	7,137	7,665	14,282	15,481*	16,701	3,662	4,058	4,598
Quebec	47,232	54,770	n/a	16,185	17,990	19,750	50,906	56,220	63,064
Manitoba	2,598	2,707	2,828	14,904	14,138*	17,848	8,588	9,389	10,476
Alberta	6,460	7,555	16,509	17,550	n/a	21,597	25,311	28,938	35,637
British Columbia	11,247	12,283	13,590	16,807	19,150	21,106	25,137	27,894	32,264

* Estimate

Revenue Fund—Revenues

Table 2

Province	Taxation								
	General			Municipal Charges			Total		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,538	1,640	1,804	125	145	163	1,663	1,785	1,967
New Brunswick	48	56	62	n/a	n/a	n/a	48	56	62
Quebec	931	1,070	1,040	245	265	238	1,176	1,335	1,278
Manitoba	158	177	191	ngl.	ngl.	ngl.	158	177	191
Alberta	282	324	356	108	131	151	390	455	507
British Columbia	387	411	435	121	132	142	507	543	577

Revenue Fund—Revenues
Table 2 (Continued)

Province	Provincial Assistance								
	Unconditional Grants			Conditional Grants			Payments-in-Lieu		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	420	459	487	722	789	854	66	77	78
New Brunswick	41	47	52	6	7	8	n/a	n/a	n/a
Quebec	451	496	466	93	107	97	31	34	20
Manitoba	21	19	51	21	22	11	25	27	29
Alberta	178	198	460*	70	87	761*	19	19	23
British Columbia	123	148	166	11	10	17	13	16	20

* Alberta: Municipal Debt Reduction Program

Revenue Fund—Revenues
Table 2 (Concluded)

Province	Fees and Service Charges			Other Revenue			Total Revenues		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	639	725	810	319	440	419	3,829	4,275	4,615
New Brunswick	15	16	18	6	7	4	116	133	144
Quebec	119	138	109	286	350	243	2,156	2,460	2,213
Manitoba	11	11	13	68	85	94	304	355	389
Alberta	59	67	77	218	247	327	934	1,038	2,153*
British Columbia	n/a	n/a	n/a	224	262	324	878	979	1,104

* Alberta: Municipal Debt Reduction Program

Revenue Fund—Expenditures
Table 3

Province	General Government						Protection		
	Local			Provincial			Police		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	365	430	457	1,929	3,258	2,948	373	408	445
New Brunswick	9	9	11	182	201	223	14	16	19
Quebec	310	370	352	1,329	2,192	2,725	102	174	166
Manitoba	34	37	40	110	248	361	32	35	39
Alberta	80	84	91	407	320	566	67	81	91
British Columbia	64	71	77	418	521	595	83	93	105

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Protection (Cont'd)								
	Police			Local			Fire		
	Provincial			Local			Provincial		
Province	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	118	123	135	219	236	260	3	3	4
New Brunswick	7	9	11	16	17	20	ngl.	2	ngl.
Quebec	136	142	175	100	114	105	4	5	6
Manitoba	11	12	14	25	27	30	0	0	0
Alberta	30	43	48	49	56	64	0	0	0
British Columbia	30	35	40	65	71	80	16	28	36

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Protection (Cont'd)								
	Other Protection						Total		
	Local			Provincial			Local		
Province	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	89	101	107	135	269	302	681	745	812
New Brunswick	2	2	3	17	16	19	32	35	42
Quebec	13	12	14	170	230	198	215	299	285
Manitoba	7	7	14	18	19	19	64	70	84
Alberta	12	16	19	69	93	107	128	153	174
British Columbia	15	17	18	122	173	193	163	181	202

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Protection						Transportation		
	Total			Roads			Provincial		
	Provincial			Local			Provincial		
Province	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	256	396	441	607	629	664	543	578	615
New Brunswick	25	26	30	n/a	n/a	n/a	37	37	39
Quebec	311	377	379	226	254	236	255	533	323
Manitoba	29	31	48	36	38	44	54	38	106
Alberta	99	136	155	120	167	223	42	47	62
British Columbia	168	251	269	n/a	n/a	n/a	240	223	245

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Transportation								
	Transit			Provincial			Other Transportation		
	Local		1977	1978	1979	1977	1978	1979	1977
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	348	381	399	66	160	124	59	74	79
New Brunswick	n/a	n/a	n/a	0	0	0	n/a	n/a	n/a
Quebec	56	78	53	89	260	152	45	49	40
Manitoba	11	11	20	0	0	0	21	22	26
Alberta*	61	76	86	ngl.	5	13	17	18	25
British Columbia	n/a	n/a	n/a	10	8	25	n/a	n/a	n/a

* Excludes grants for capital purposes (1977-\$65M; 1978-\$63M; 1979-\$99M)

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Transportation								
	Other Transportation			Local			Total		
	Provincial		1977	1978	1979	1977	1978	1979	1977
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	37	36	29	1,014	1,084	1,142	645	775	769
New Brunswick	12	15	17	26	29	30	49	53	56
Quebec	50	63	74	327	382	330	393	856	549
Manitoba	43	37	13	68	71	90	97	74	120
Alberta	21	16	25	198	262	333	63	68	100
British Columbia	170	107	99	93	104	112	419	338	369

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Environment								
	Sewers			Provincial			Water		
	Local		1977	1978	1979	1977	1978	1979	1977
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	240	252	298	0	0	0	212	234	253
New Brunswick	10	11	13	0	0	0	23	18	19
Quebec	17	17	17	30	35	0	72	85	101
Manitoba	9	10	11	0	0	0	18	20	23
Alberta	19	20	22	0	0	0	34	46	53
British Columbia	27	30	34	15	22	25	46	50	57

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Environment (Cont'd)									
	Water			Local			Other			
	Provincial		1977	1978	1979	1977	1978	1979	1977	1978
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	2	5	6	111	141	143	239	261	264	
New Brunswick	1	1	1	3	4	4	5	5	7	
Quebec	21	28	41	78	87	77	5	6	7	
Manitoba	12	8	12	11	11	12	4	4	7	
Alberta	22	13	16	25	28	33	27	15	20	
British Columbia	3	3	3	29	31	33	30	36	45	

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Environment (Cont'd)									
	Total			Provincial			Health			
	Local		1977	1978	1979	1977	1978	1979	1977	1978
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	563	627	694	241	266	270	121	131	150	
New Brunswick	36	33	36	5	6	8	n/a	n/a	n/a	
Quebec	167	189	194	56	69	48	20*	20*	15*	
Manitoba	38	42	45	17	12	19	3	4	4	
Alberta	78	94	108	50	28	37	13	8	17	
British Columbia	102	111	124	48	61	73	13	12	20	

* Quebec: Health/Social and Family

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Health (Cont'd)						Social and Family Services			
	Total			General Assistance						
	Provincial		1977	1978	1979	1977	1978	1979	1977	1978
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	3,630	3,916	4,221	206	237	260	736	754	807	
New Brunswick	230	253	301	n/a	n/a	n/a	0	0	0	
Quebec	2,580	2,363	3,858	n/a*	n/a*	n/a*	888	988	1,112	
Manitoba	295	484	542	11	11	7	78	135	149	
Alberta	619	783	909	12	22	20	0	227	208	
British Columbia	1,014	1,211	1,389	36	27	28	370	334	377	

* Quebec: Health/Social and Family

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Social and Family Services (Cont'd)								
	Assistance to Aged			Assistance to Children			Local		
	Local		Provincial		Local		1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	189	211	236	0	0	0	137	159	179
New Brunswick	n/a	n/a	n/a	0	0	0	n/a	n/a	n/a
Quebec	n/a*	n/a*	n/a*	219	253	10	n/a*	n/a*	n/a*
Manitoba	0	0	0	0	0	0	0	0	0
Alberta	3	4	5	37	38	0	0	0	0
British Columbia	0	0	0	0	0	0	0	0	0

* Quebec: Health/Social and Family

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Social and Family Services (Cont'd)								
	Assistance to Children			Other			Provincial		
	Provincial		Local		Provincial		1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	175	247	335	0	0	0	310	210	180
New Brunswick	0	0	0	n/a	n/a	n/a	134	146	137
Quebec	40	59	113	n/a*	n/a*	n/a*	69	195	430
Manitoba	0	0	0	0	0	0	54	26	5
Alberta	209	0	45	ngl.	ngl.	ngl.	145	59	25
British Columbia	55	60	67	0	0	0	16	28	31

* Quebec: Health/Social and Family

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Social and Family Services						Recreation and Culture		
	Total			Provincial			Parks and Recreation		
	Local		Provincial		Local		Local		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	532	602	679	1,222	1,211	1,322	n/a	n/a	n/a
New Brunswick	n/a	n/a	n/a	133	146	137	n/a	n/a	n/a
Quebec	n/a*	n/a*	n/a*	1,217	1,495	1,665	n/a	n/a	n/a
Manitoba	11	11	7	132	161	153	n/a	n/a	n/a
Alberta	15	26	25	392	324	278	n/a	n/a	n/a
British Columbia	36	27	28	441	422	475	n/a	n/a	n/a

* Quebec: Health/Social and Family

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Recreation and Culture								
	Parks and Recreation			Libraries			Provincial		
	Provincial		Local		1977		1978	1979	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	34	18	22	n/a	n/a	n/a	40	40	44
New Brunswick	1	1	1	n/a	n/a	n/a	3	3	3
Quebec	101	74	89	n/a	n/a	n/a	0	13	15
Manitoba	24	19	12	n/a	n/a	n/a	0	0	0
Alberta	46	0	26	n/a	n/a	n/a	0	0	0
British Columbia	28	34	31	n/a	n/a	n/a	4	4	5

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Recreation and Culture								
	Other Cultural			Provincial			Total		
	Local		1977		1978	1979	Local		1977
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	n/a	n/a	n/a	114	121	64	446	486	514
New Brunswick	n/a	n/a	n/a	5	9	10	10	11	12
Quebec	n/a	n/a	n/a	80	133	86	177	202	171*
Manitoba	n/a	n/a	n/a	0	0	42	38	42	44
Alberta	n/a	n/a	n/a	17	0	30	74	91	111
British Columbia	n/a	n/a	n/a	5	7	8	86*	97	109

* Estimated

Revenue Fund—Expenditures
Table 3 (Continued)

Province	Recreation and Culture						Planning		
	Total			Local			Total		
	Provincial		1977		1978	1979	Provincial		1977
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	188	180	130	107	115	128	380	317	301
New Brunswick	8	12	14	3	3	3	26	35	42
Quebec	180	230	190	36	40	44	117	147	157
Manitoba	24	19	56	6	6	7	20	24	32
Alberta	63	0	56	18	21	24	138	50	133
British Columbia	36	45	44	12	17	18	68	52	82

Revenue Fund—Expenditure

Table 3 (Continued)

Province	Other Expenditure						Fiscal Services*		
	Local			Provincial			Local		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	n/a	n/a	n/a	730	774	376	714	788	830
New Brunswick	n/a	n/a	n/a	44	67	54	19	21	26
Quebec	n/a	n/a	n/a	505	496	544	1,042	1,114	1,016
Manitoba	n/a	n/a	n/a	54	38	45	77	89	93
Alberta	n/a	n/a	n/a	269	217	308	222	244	1,264
British Columbia	n/a	n/a	n/a	188	186	252	263	359	413

* Includes Provincial Expenditures on School Boards

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Fiscal Services**			Total Expenditures*					
	Provincial			Local			Provincial		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,242	1,474	1,408	4,543	5,008	5,406	12,334	14,536	14,307
New Brunswick	86	108	117	135	141	160	995	1,126	1,223
Quebec	610	842	945	2,294	2,616	2,407	9,531	11,202	13,295
Manitoba	71	69	82	298	327	415	1,037	1,366	1,665
Alberta	23	27	23	826	1,006	2,148	3,027	2,492	3,212
British Columbia	23	24	23	877	979	1,505	3,756	4,148	4,694

* Includes Provincial Expenditures on School Boards

** debt charges only

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Education									
	Elementary and Secondary						Post-Secondary			
	Local*			Provincial			Local			
1977	1978	1979	1977	1978	1979		1977	1978	1979	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	n/a	n/a	n/a	1,871	1,969	2,121				
New Brunswick	n/a	n/a	n/a	207	219	241				
Quebec	n/a	n/a	n/a	2,233	2,135	2,235				
Manitoba	n/a	n/a	n/a	188	206	207				
Alberta	n/a	n/a	n/a	650	585	648				
British Columbia	n/a	n/a	n/a	566	597	615				

* See School Boards

Revenue Fund—Expenditures

Table 3 (Continued)

Province	Education								
	Post-Secondary			Other Education			Provincial		
	Provincial			Local			1977 1978 1979		
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,252	1,366	1,446				381	68	72
New Brunswick	73	78	86				11	13	13
Quebec	1,031	1,155	1,245	not applicable			318	511	625
Manitoba	120	114	121				10	23	18
Alberta	318	315	348				51	45	31
British Columbia	300	352	433				67	88	76

Revenue Fund—Expenditures

Table 3 (Concluded)

Province	Education								
	Total Education								
	Local			Provincial			1977 1978 1979		
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario				3,505	3,403	3,639			
New Brunswick				291	310	340			
Quebec	not applicable			3,582	3,806	4,116			
Manitoba				318	342	345			
Alberta				1,018	946	1,028			
British Columbia				933	1,037	1,124			

Capital Fund—Expenditures

Table 4

Province	Capital						3-Year Average	
	Local			Provincial			Local	Provincial
	1977	1978	1979	1977	1978	1979	1977-1979	1977-1979
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,136	1,188	1,198	447	394	493	1,174	445
New Brunswick	60	58	65	113	279	168	61	187
Quebec	919	n/a	962	588	586	607	n/a	594
Manitoba	94	96	87	132	167	184	92	161
Alberta	666	725	1,078	n/a	n/a	n/a	823	n/a
British Columbia	366	286	305	226	201	225	319	217

Total Expenditures

Table 5

Province	Capital and Operating*					
	Local			Provincial		
	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	11,599	13,755	13,384	10,910	12,961	12,679
New Brunswick	195	199	225	900	1,186	1,150
Quebec	3,213	n/a	3,369	7,886	9,653	12,679
Manitoba	392	423	502	981	1,327	1,642
Alberta	1,492	1,731	3,226	2,118	1,950	2,564
British Columbia	1,243	1,265	1,810	3,049	3,312	3,795

* does not include Provincial Expenditures on School Boards

Municipal—Long Term Debt

Table 6

Province	Long Term Debt Outstanding			3-Year Average		In-Year Borrowing		
	1977 1978 1979			1977-1979		1977 1978 1979		
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	2,715	2,765	2,853	2,779		472	285	323
New Brunswick	209	236	250	232		45	35	29
Quebec	4,178	4,484	n/a	n/a		1,181	1,186	706
Manitoba	318	422	446	395		58	58	46
Alberta	1,179	1,361	1,098	1,211		243	239	395
British Columbia	713	751	834	766		110	100	146

School Boards

Table 7

Province	Demographics							
	No. of School Boards		Enrolment			No. of Teachers		
	Total	1979	1977	1978	1979	1977	1978	1979
	#	000	000	000	000	000	000	000
Ontario	192		1,943	1,902	1,859	92	90	88
New Brunswick	35		162	159	156	8	8	8
Quebec	248		1,260	1,207	1,145	73	71	68
Manitoba	57		214	210	205	12	12	12
Alberta	173		423	422	419	23	23	23
British Columbia	75		510	501	495	28	28	28

School Boards

Table 7 (Continued)

Province	Revenues								
	Taxation						Provincial Assistance		
	Local			Provincial			Payments-in-Lieu		
1977	1978	1979	1977	1978	1979	1977	1978	1979	
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,526	1,663	1,825	0	0	0	36	38	43
New Brunswick**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Quebec	653	678	417	n/a	n/a	n/a	2	2	1
Manitoba	153	166	185	37	39	41	n/a	n/a	n/a
Alberta	161	192	233	68	77	91	n/a*	n/a*	n/a*
British Columbia	430	497	533	101	121	134	n/a	n/a	n/a

* Included with Grants total

** not applicable—100 per cent funded by the Province

School Boards

Table 7 (Continued)

Province	Revenues								
	Provincial Assistance			Other Revenue			Total		
	Grants			1977	1978	1979	1977	1978	1979
1977	1978	1979	1977	1978	1979	1977	1978	1979	
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,872	1,954	2,049	64	82	102	3,498	3,739	4,019
New Brunswick	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Quebec	2,100	2,408	2,915	102	112	122	2,857	3,200	3,455
Manitoba	219	231	242	11	12	14	420	448	482
Alberta	512	547	588	37	39	47	778	856	959
British Columbia	439	457	422	49	51	76	1,019	1,126	1,165

School Boards

Table 7 (Continued)

Province	Expenditures								
	Operating			Capital			Total		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
1977	1978	1979	1977	1978	1979	1977	1978	1979	
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	3,410	3,680	3,946	128	170	138	3,538	3,850	4,084
New Brunswick	200	212	232	26	18	26	225	230	258
Quebec	2,856	3,199	3,455	177	167	170	3,033	3,366	3,625
Manitoba	322	351	387	38	38	39	360	389	426
Alberta	771	850	958	90	76	122	861	1,026	1,081
British Columbia	1,034	1,124	1,162	107	104	74	1,141	1,228	1,236

Province	Long Term Debt					
	Total Debt Outstanding			In-Year Borrowing		
	1977	1978	1979	1977	1978	1979
	\$M	\$M	\$M	\$M	\$M	\$M
Ontario	1,437	1,407	1,314	58	87	60
New Brunswick	n/a	n/a	n/a	n/a	n/a	n/a
Quebec	1,416	1,471	1,490	207	207	141
Manitoba	202	208	218	31	18	22
Alberta	372	375	400	44	29	49
British Columbia	844	942	1,021	98	96	67

Appendix C

Local Government Special Purpose Bodies by Province

Local Government Special Purpose Bodies By Province

Province	Local Boards and Commissions
Ontario	<ul style="list-style-type: none">• District health councils• Municipal hospitals• Children's aid societies• Conservation authorities• Electricity, telephone and gas utilities• Harbour and transit commissions• Humane societies• Housing authorities• Public utilities commissions• Library boards
New Brunswick	<ul style="list-style-type: none">• Parking authorities• Electrical utilities• Sewer and water utilities• Housing authorities
Quebec	<ul style="list-style-type: none">• Transit commissions, planning boards
Manitoba	<ul style="list-style-type: none">• Transit• Hydro-electric• Steam heating enterprises• Waterworks• Sewage disposal systems
Alberta	<ul style="list-style-type: none">• Transit and air transport commissions• Water utilities• Electricity, telephone and gas utilities
British Columbia	<ul style="list-style-type: none">• Sewer and water utilities• Transit authority

Appendix D

Footnotes

Footnotes—Part II

General

1. Information on municipalities and school boards in other provinces was provided directly from the provinces surveyed.

Chapter 1

1. *Consolidation of Provincial Expenditures*

Provincial expenditures have been reclassified to reflect the categorization of municipal expenditure by function as outlined in Statistics Canada catalogue—*A Financial Information System for Municipalities*. For example, spending on public safety programs has been recorded under Protection whereas it would normally be recorded under the expenditures for Consumer and Corporate Affairs in the provincial accounts.

Chapter 2

1. Average Income—Statistics Canada Catalogue #13-207 entitled *Income Distributions by Size in Canada*, 1977, 1978, 1979.

Chapter 3

1. *Alberta Municipal Debt Reduction Program*

This program was designed to reduce debenture debt repayment obligations of Alberta's municipalities for one year only. In respect of other municipalities having no debenture debts, or limited amounts, the Province provided unconditional grants which could be used by municipalities to assist with future financing needs. The total cost of the program was \$1,031,325,765 of which \$382,933,635 was in unconditional grants and the remainder was in cancelled debentures. Figures for 1979 demarcated by an “*” include expenditure from the Municipal Debt Reduction Program.

Information on the program is highlighted in Alberta Municipal Affairs, *Report on Debt Guidelines and Financial Analysis*, May 6-8, 1981.

2. *Household Measures*

Many amounts in this publication are compared on a dollar per household basis. This method is used to make comparisons among municipalities more meaningful. In a year to year comparison, if the absolute dollar amount were used, amounts may appear to be excessively large when, in fact, they are not, when discounted by the amount of household growth. Households are used as the base rather than population since most municipal services are provided to households.

Household figures were estimated for the provinces of Quebec and Manitoba based on Canada Post publications entitled *Householder Figures for Letter Carrier Offices* and *Householder Figures for Non-Letter Carrier Offices* as statistical data was not available from primary sources.

3. *Municipal Charges*

Charges for municipal purposes are taxes paid to the municipality on any basis other than by mill rate against assessment. In a strict sense the charges which relate to a particular service are “earmarked” or specifically allocated revenues. These include business improvement area charges, sewer and water charges on flat rates, sewer and water connection charges, fire service charges, municipal drainage charges and garbage collection charges.

4. *User Fees and Service Charges*

The term “User Fee” applies specifically to a particular charge for a particular service whereby the consumer makes the decision to buy a service as opposed to buying jointly with other consumers as is the case with services supported by general, area or local improvement taxation. The items classified as direct user fees are those which individuals pay for services directly and in which they can make the decision to consume or not to consume at that point. This occurs for services such as transit fares, contributions to homes for the aged and charges for recreation, etc.

5. *Miscellaneous*

Included in this category are any revenues derived through sources other than those previously covered. Specific areas are licence and permits; rents, concessions and franchises; fines; penalties and interest on taxes; income from investments; developer's lot levies and contributions; gain on sale of publications, equipment, land; and transfers from other municipal funds and non-consolidated entities.

Chapter 4

1. Other items normally included in Fiscal Services such as transfers to own funds and to other municipalities could not be isolated for some provincial accounts. These items are therefore consolidated in general revenue fund spending by function.

2. *Capital Expenditures*

Capital expenditures are provided in aggregate. Functional comparisons were not significant without a complete functionalized breakdown for each province. In addition, there was some difficulty in isolating capital expenditures from operating in those provinces where capital items were consolidated in general revenue fund expenditures.

Chapter 5

1. Source: City of Calgary submission to Intergovernmental Conference on Local Government Information Development, May 1981, entitled "Responsibility Centre Accounting" Conference Document #8 p. 5.

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